

HOUSE OF REPRESENTATIVES.

TUESDAY, March 7, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The Lord hear us while we pray: We would register our allegiance to Thee and own Thee as our God. Sustain us as we try to hold our loyalty in all integrity and in the uttermost meaning of goodness. We are before Thee not with self-approval but to ask wisdom and that it may be manifested in the ardor of our labor and in the loftiness of our purpose. Give us the mind that sees and understands and the filial spirit that counts obedience an acceptable oblation to lay at Thy altar. May Thy spirit have open access to all plans and thus symbolize Thy love so great, so free, and so impartial. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMPROVEMENTS OF RIVERS AND HARBORS.

Mr. DEMPSEY, by direction of the Committee on Rivers and Harbors, reported the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union.

Mr. GARNER. Mr. Speaker, I desire to submit a parliamentary inquiry as to whether or not it is necessary to reserve points of order when appropriation bills and bills similar to this are introduced in the House. It has been the custom ever since I have been here, but I have never been able to discover the philosophy of that rule which requires points of order to be reserved at this time in order that they might be made in Committee of the Whole House on the state of the Union. Is it necessary to reserve the points of order now in order to make the points of order in the Committee of the Whole?

The SPEAKER. It is simply a matter of precedent. It has always been the custom that points of order must be reserved in the House in order that they may be then made in the Committee of the Whole.

Mr. GARNER. Mr. Speaker, I reserve all points of order on the bill.

Mr. GARRETT of Tennessee. Mr. Speaker, there is considerable reasoning about the matter in Hinds' Precedents, and while, as the Speaker says, it is a matter of precedent, yet it seems to be a precedent based on very good reason, as I have read the statements of Mr. Hinds in regard to it. Immediately upon being presented, the matter is referred to the Committee of the Whole House on the state of the Union, and he argues, and it seems to me with a good deal of force, that that being the case it is necessary that all points of order shall be reserved in the House. It is some time since I refreshed my memory by reading over those statements of Mr. Hinds.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed Senate joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 173. Joint resolution authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next; and

S. 2716. An act to give effect to certain provisions of conventions with foreign Governments for facilitating the work of traveling salesmen.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 173. Joint resolution authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next; to the Committee on Foreign Affairs.

AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10730) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other

purposes. Pending that I desire to make some arrangements with the gentleman from Texas [Mr. BUCHANAN] with respect to the time to be used in general debate.

Mr. BUCHANAN. Mr. Speaker, I have had requests on this side for four hours. I might perhaps eliminate 45 minutes of those 4 hours, making it 3 hours and 15 minutes for which I have very urgent requests.

Mr. ANDERSON. I have requests for about three hours. Would not the gentleman be willing to agree to six hours of general debate?

Mr. BUCHANAN. That would take off only 15 minutes of the requests that I have had, and I would regret very much to discriminate against one man out of so many.

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to six hours and one-half, one-half to be controlled by the gentleman from Texas [Mr. BUCHANAN] and one-half by myself.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Minnesota that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Agricultural appropriation bill.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the Agricultural appropriation bill, with Mr. Hicks in the chair.

The Clerk reported the title of the bill.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ANDERSON. Mr. Chairman, the total appropriations carried for the regular work of the Department of Agriculture during the present year amounts to \$38,688,059. The amount recommended in the bill now pending is \$34,978,033. This sum, compared with the present appropriations, is \$3,710,026 less than the appropriations for the current year and \$1,554,835 less than the estimates submitted by the Director of the Budget through the President. It should be remembered, however, that the current law carries an appropriation of \$1,000,000 for the purchase of forest lands in the Appalachian Mountain Range and also carries an appropriation of \$2,000,000, to be loaned to farmers in the Great Plains area of the country for the purchase of seed, so that the bill in fact, eliminating new items which have been added, is approximately \$700,000 less than the regular items carried in the current appropriation bill. It should also be considered that the pending bill carries three or four new items, one for the operation of the Center Market, carrying, as I now recall, about \$165,000; an item for the enforcement of the packers and stockyards act carrying \$410,500; and an item for the enforcement of the futures trading act which carries, I think, \$103,600 or thereabouts, making the total carried in this bill, which is not carried in the prior bills, approximately \$700,000.

Of the total appropriations for the Department of Agriculture, speaking roughly and generally, \$18,000,000 is spent for the conduct of regulatory services, many of which are as directly of interest and concern to the consumers of the country as they are to the farmers of the country. Approximately \$8,000,000 is spent for research of various kinds. Three million dollars is spent for service work, such as that involved in the inspection of fruit and vegetables, and approximately \$4,000,000 is expended for extension.

There is very little change in the language of the items of the bill. Quite a number of limitations have been carried, however, and there are a number of increases and decreases to which it seems to me it is proper at this time to call the attention of the committee. The first of these limitations or legislative provisions is contained on page 3, which provides for the reimbursement of the appropriation for the general repair and mechanical work of the department from the funds of the bureaus on account of the work done by the mechanical force for those bureaus. In consideration of that provision the committee has reduced the estimate, cutting it from \$100,000 to \$90,000.

There is also a provision on page 4 of the bill which provides for the construction of a vault for the storage of inflammatory material now stored in various buildings of the department. This vault, it is estimated, will cost \$2,500, and the cost will be prorated out of the appropriations carried for the various bureaus which will store inflammatory material in this vault. The item for the eradication of tuberculosis in cattle, at page 12, as proposed by the committee, carries \$2,578,800, which is the

same amount as has been spent or is being spent by the department for this work this year, including a deficiency of \$600,000. The division between the administrative expenses and the amount allotted for the payment of indemnities under this bill is very different from that carried in the current bill. The current bill provides for a division between administration and the payment of indemnities of approximately 50 per cent each, while this bill calls for a division of 33 per cent for administration and 67 per cent for the payment of indemnities. It is impossible to tell exactly the amount which will have to be paid out for indemnities in any one year owing to the fact that the amount of indemnities depends upon the prevalence of tuberculosis in the territory in which the money is expended; that is to say, upon the area in which work is done and the percentage of tuberculosis of the herds that are actually tested. The testimony before our committee was that owing to the discovery of a new method of testing the cattle a much larger amount of work could be done with the same appropriation in the future. The probable ratio of administrative expenses and the cost of indemnities would be about 33-67, so the committee adopted that ratio, and we felt that its adoption would prevent the probability of any deficiency arising under this item in the next fiscal year. There is also on page 20 an increase of \$75,000 in the appropriation for the eradication of the white-pine blister rust.

Up to this last year the white-pine blister rust was confined, so far as it was then known, to the section of the country east of Minnesota. During the last year considerable infection has been found in Oregon and Washington. That, however, is being taken care of in the deficiency bill. It is necessary, however, that the work of the control of the white-pine blister rust should be expanded somewhat in order to prevent the extension of the disease into new territory.

There is also a small item included for a heating plant at the Arlington Farm. The boilers in the heating plant are now more than 20 years old. Two of them were second hand at the time they were put into the plant. They are worn out, and the engineers to whom the matter was submitted by the Budget Director's office were of the opinion that they should be renewed. There is a very large collection of plants in the greenhouses at Arlington, representing a very large investment of money and also a very great expenditure of time and research, which would be entirely wiped out if there should be a failure of the heating plant during severe weather, and in order that that chance may be avoided, as well as the danger which is incident to the condition of these boilers, an appropriation of \$50,000 for the installation of new boilers and a new house for them is carried in this bill.

Prior to this year the appropriation for the individual forests controlled and operated by the Forest Service have been carried in something like 139 separate forest items. It has never been possible for the committee to examine each one of these forest-reserves items and determine whether the allocation made to each of the individual forests specified in the estimates was a sound allocation or not. The amount which will have to be spent on a forest reserve depends somewhat on contingencies which can not be definitely foreseen in advance; in other words, the expenditure depends in part upon whether there are sales of timber in the forest which are consummated during the year and in part upon the number of forest fires which occur in one forest in comparison with another. In accordance with the suggestion made by the Forest Service to the Director of the Budget, the items for the 139 individual forests have been consolidated into eight forest-district items without any increase in the total appropriation for the forests with this exception, that there is allocated to the current appropriations in these districts an additional appropriation of \$80,000, which is divided in this way: \$50,000 additional for fire guards; \$20,000 for additional technical men in these forests where the sales of timber are increasing or likely to increase; \$10,000 for additional employment in connection with the grazing in the national forests.

The committee was in part influenced in granting this increase by the fact that the air patrol service, which has heretofore been conducted by the War Department in the national forests and in conjunction with the Forest Service, will be discontinued next year owing to the fact that the War Department was not willing to continue it, and in order to get an approximate amount or an equal amount of fire protection we have provided for these additional fire guards. There is also on page 32 a provision for the construction of some sanitary facilities in connection with the experimental farm at Beltsville, Md. This is quite a large farm of some 400 acres and employs 20 or 30 men altogether. There are more than 100 cattle, mules, horses, and the sewage from this farm has been deposited

heretofore in a small creek or river which flows through the village of Beltsville. There has been a great deal of complaint about it, and the public health authorities of the State of Maryland have notified the Government that it should install a sewage-disposal plant to take care of this sewage. The committee has provided an appropriation of \$5,000 for the purpose of construction of this sewage-disposal plant at the Beltsville Farm. There is also a new item—

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. ANDERSON. I will.

Mr. SUMMERS of Washington. Returning to the protection of the forests, other than the air patrol, how does the amount this year compare with the previous amount?

Mr. ANDERSON. The gentleman means the total amount for the Forest Service?

Mr. SUMMERS of Washington. Well, for fire protection?

Mr. ANDERSON. It is approximately the same as it was last year.

Mr. MONDELL. I am very much interested in what the gentleman says with regard to the consolidation of forest reserve items. It seems to me it is probably wise to make the consolidations that have been made. Certainly it is better practice if we shall have very careful administration. It seems to me that the service should be able to get along with a somewhat smaller appropriation where the appropriations are consolidated, assuming the same area is to be cared for and the same amount of work is to be done, than when the appropriations are made for each individual forest. Necessarily in the case of appropriations for each individual forest there was some unexpended balance, or likely to be some unexpended balance, in the appropriations for every forest. With the items consolidated there are only eight items, as I understand it. Am I correct?

Mr. ANDERSON. Yes.

Mr. MONDELL. Therefore the service would undoubtedly be able to draw more closely upon its appropriations and ought to be able to get along with less total of appropriations for the same activities. However, the work on the reserves is growing, I realize. I am not criticizing the action of the committee, because I have no doubt but that they had good and sufficient reason for making the appropriations as they have. I think we shall all be very much interested, however, in watching the effect of this new policy. I think the committee will find it very interesting next year to inquire very closely as to the effect of it. At one time, if my memory serves me right, we had a lump-sum appropriation. There was some complaint of that on the ground that a very large part was used on certain national forests and very little used on other forests where it was claimed there was a real need and demand. There is just a little chance for favoritism, a little more chance for favoritism, perhaps, under the consolidated method than under the method of dividing appropriations, although of course there is a chance for favoritism in making up the estimates when the appropriations are divided.

I am very glad that the committee has modified this appropriation in this way, and I hope the new policy will prove to be a wise one. That will depend wholly upon the character of the administration of the reserves.

Mr. ANDERSON. The gentleman well knows there has been a deficiency in this item practically every year, running from \$57,000, or thereabouts, to over \$3,000,000 in one year. The deficit, I think, has averaged \$567,000. The forester has for a long time felt that the deficiencies could be reduced and the total expenditure of the Forest Service diminished by increasing the regular force on the national forests and catching the fires at their inception, instead of following the policy which we have had to follow heretofore of keeping the regular force in the forest at a rather low point and taking care of the forest fires on an emergency basis, with a resulting deficiency. As a matter of fact, in the last two or three years we have very gradually and very slightly increased the appropriations for the regular fire-fighting force in the forests, bringing a gradual decrease in the number of fires and a gradual decrease in the damage done in these forests and a gradual decrease in the deficiency appropriations. On the whole, I think the policy so far has rather proven itself.

Mr. MANN. Will the gentleman yield?

Mr. ANDERSON. I will.

Mr. MANN. Does the gentleman happen to have before him the figures which show the appropriation for the Forest Service in the last fiscal year, the total receipts from the sale of timber, and the total receipts from the sale of grazing privileges?

Mr. ANDERSON. I do not have the total appropriations in a statement combined with the sales of timber and the receipts from the sale of grazing privileges. I can, however, give the

gentleman the figures of the receipts from the sale of forest timber and the receipts from the sale of grazing privileges. How far back does the gentleman want to go?

Mr. MANN. I just asked for the last fiscal year.

Mr. ANDERSON. The last fiscal year. In 1921 the receipts from the sale of timber amounted to \$1,775,901, as compared with \$2,067,295 in the preceding year, while the receipts from the grazing privileges in 1920 were \$2,486,040. It has not all been paid in, but the grazing receipts for 1921 will amount to about \$2,130,174.

Mr. MANN. That is between \$3,000,000 and \$4,000,000?

Mr. ANDERSON. Yes.

Mr. MANN. What are the total appropriations carried in this bill for the Forest Service?

Mr. ANDERSON. The total appropriations carried in this bill for the Forest Service is \$6,532,302, as compared with an expenditure last year, including deficiencies, of \$6,990,302.

Mr. MANN. A considerable proportion of the amount expended is recovered back to the Treasury?

Mr. ANDERSON. About two-thirds of it. Of course, the last fiscal year was not a fair guide, because the sales of timber and the grazing receipts from the forests were affected by the conditions which have affected other industries, and were considerably lower last year than in the preceding year.

Mr. KINCHELOE. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. KINCHELOE. I do not want to destroy the continuity of the gentleman's thought, but I wish to refer to another branch of this service, on page 71, under miscellaneous items, for the acquisition of additional lands at the headwaters of navigable streams, under the act of March 4, 1911. I presume that is the Weeks Act. Is it not?

Mr. ANDERSON. Yes.

Mr. KINCHELOE. The Committee on Agriculture has been holding quite extensive hearings on the question of extending that act, and I think the sentiment of the committee is very much in favor of it, and I am, but we got indirect information from your committee that you took the position that you did not have the power to appropriate additional amounts unless the organic law was extended, and I was anxious to know if that is the gentleman's opinion about the matter?

Mr. ANDERSON. Well, my opinion about it is just this, and arises from this situation: I have been of the opinion ever since I knew anything about this particular item, that whatever policy is adopted ought to be a continuing policy. That is to say, there is no economy in spending a million dollars in the purchase of these various lands in one year and building up the organization necessary to survey and consummate those purchases, and then the next year make no appropriation at all, necessitating the destruction of the organization you have built up and which cost money to build up.

But it seemed to me that the policy, whatever it was, should be determined not by the Committee on Appropriations but by the Committee on Agriculture, and that the Committee on Agriculture should determine whether or not this policy hereafter was to be a policy of spending a million or two million or three million or four million dollars a year. When those favoring this policy came before us last year I told them I was willing to give them an appropriation last year with the understanding that before the item came up in the next year in the appropriation bill they would go to the Committee on Agriculture and ask that committee to determine the policy by which we should be guided in the future. I told them that so far as I was concerned a further appropriation should not be made until this policy was determined.

Mr. KINCHELOE. I agree with the gentleman. Now, I want to ask the gentleman what is this \$50,000 supposed to take care of? Is that simply to keep the organization together, or what is it for?

Mr. ANDERSON. That will simply enable them to consummate the contracts already made, to make the surveys and do the work incident to the consummation of the purchases that have already been made or the purchases that are in contemplation of making and which there is moral obligation at least to consummate.

Mr. KINCHELOE. But, of course, it is not sufficient to extend the work any?

Mr. ANDERSON. It will not be sufficient to provide surveys of additional land in case an additional appropriation is made for purchase, as I understand it. Now, in addition to the items to which I have referred, there is an increase in the appropriation on pages 44 and 45 of the bill of \$200,000 for the control of the brown-tail and gypsy moth. There are now two infestations, one in New England and one in New Jersey. That

in New England has been there for several years, and that in New Jersey for two years. There is a possibility of eradicating it in New Jersey, and it is clearly desirable that this be done if possible, if it can be done with something like a reasonable expenditure of money. In other words, it is cheaper to eradicate these infestations by a considerable expenditure of money at the outset, if you can, than to attempt to control them, which involves a considerable expenditure for all time to prevent the spread. The committee was convinced that an additional appropriation was absolutely necessary for this purpose if there was to be any hope at all of regulating the moths in the New Jersey district and keeping them from spreading very rapidly throughout the West.

In the division of publications, on page 49, there have been consolidated all of the mimeographic activities of the Government, so that this work, instead of being done throughout the various bureaus, is now done under the division of publications. We have also consolidated eight small items which covered expenses for labor-saving devices, for stationery, twine, and a number of other small items, which we thought would be more economically and more conveniently handled under one general item.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman permit a question?

Mr. ANDERSON. Yes.

Mr. CLARKE of New York. Has the appropriation for the distribution of seeds for buncombe purposes been eliminated from this bill?

Mr. ANDERSON. I will say to the gentleman that the committee did not report the provision for the congressional seed distribution. That is not included in the bill.

Mr. CLARKE of New York. Thank God for that. I am glad of it.

Mr. ANDERSON. There is one considerable reduction on the face of this bill in the items for the extension of activities of the Department of Agriculture along the line of the work now being done under the Smith-Lever Act. These items are now carried in four separate items. The first of these items carried \$715,720 and was for farm demonstration work in the North. The second carried \$634,800 for the same sort of work in the South under a general camouflage of boll-weevil eradication and control, the third was a small item of \$16,360 carried for supervising expenses in connection with the extension services of the Government, and the fourth was a general item of \$1,500,000, which was originally made for the purpose of advancing the maturity of the Smith-Lever Act by three years. The first three items have been consolidated in one item in this bill with a reduction of \$53,280, and the fourth item, which is now the second item, has been reduced from \$1,500,000 to \$1,000,000.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. JOHNSON of Mississippi. I was interested to know why the gentleman made the statement that this work was done throughout the South under the camouflage of exterminating the boll weevil.

Mr. ANDERSON. I did not mean that in any invidious sense. What I meant to say was simply this: It has been carried as an item for the extermination of the boll weevil. As a matter of fact the work has been exactly the same as the farm demonstration work done in the North, and I do not think there is any reason why they both should not be carried in the same language and under the same head. There is no difference in the character of the work done under them.

In explanation of the reduction of \$500,000 in this item on page 55 I would like to say this: As I have just indicated, this appropriation of \$1,500,000 was first made in 1920, on the theory that it was necessary to expand production and that there ought to be a county agent in every county in the United States. In order to provide for that we appropriated \$1,500,000, which had the effect of maturing the Smith-Lever Act three years earlier than it otherwise would have been. This was done with the idea that as \$500,000 became available under that act the committee would deduct from this appropriation. However, that was not done until this year. This year the \$500,000 matures under the act, and we have reduced the item in this bill by \$500,000, so that the department next year, notwithstanding this reduction, will have the same amount to spend for these activities as last year.

It might be interesting to know that during the current fiscal year the total amount for extension purposes contributed by State, county, and Federal Governments is in excess of \$18,000,000, and next year will be very close to the \$20,000,000 mark.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. GREEN of Iowa. Can the gentleman tell us just how much the State, county, and local authorities have expended? Or just approximately?

Mr. ANDERSON. I have not the exact figures here, but approximately my recollection is that of that \$18,000,000, \$7,433,280 represents the expenditures of the Federal Government.

Under this bill the Bureaus of Markets and Crop Estimates are consolidated with the Bureau of Farm Management and Farm Economics, so that on the basis of two years ago the Bureau of Agricultural Economics now includes under this bill the Bureau of Markets, the Bureau of Crop Estimates, and the Bureau of Farm Management.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield there?

Mr. ANDERSON. Yes.

Mr. GREEN of Iowa. Does the bill show how much money is appropriated for each of these several divisions?

Mr. ANDERSON. I can not give the gentleman that information.

Mr. GREEN of Iowa. I mean in the total, whether it is segregated in the bill.

Mr. ANDERSON. It is not segregated in the bill. It would have to be calculated out of the bill to determine just how much is for each individual service.

Mr. GREEN of Iowa. I was speaking more particularly of the expenditure for the Bureau of Markets and the Bureau of Crop Estimates.

Mr. ANDERSON. I will say to the gentleman that there is no change in the lump-sum items of the bill at all. In other words, we simply took the general farm-management item, of which there is only one, and carried it bodily over into this consolidation without changing the language at all. The only consolidation that is made is a consolidation of the statutory rolls of the two bureaus, which are consolidated exactly on the existing basis, with the exception that the head of the Bureau of Crop Estimates is eliminated and the head of the Bureau of Farm Management is eliminated and one or two other employees are eliminated as a result of the consolidation of the statutory rolls.

Mr. GREEN of Iowa. As far as I am concerned, I should not feel very badly if they were all eliminated, because I have not been able to discover any great benefit from either of these two activities which I mentioned last.

Mr. ANDERSON. The gentleman will find the same target to shoot at this year as he did last.

Mr. WHITE of Kansas. Will the gentleman yield for a question?

Mr. ANDERSON. Yes.

Mr. WHITE of Kansas. Is the chairman of the subcommittee prepared to give his own opinion as to the value of the daily market reports published by the Bureau of Markets?

Mr. ANDERSON. Of course, that is a general question, which can be answered only by generalization. There has been a good deal of complaint recently, particularly with reference to the cotton statistics, and occasionally there has been very great complaint on account of the grain statistics. Two or three years ago there was complaint that the live-stock statistics did not go out as promptly as they should, but I am under the general impression that live-stock statistics are now being gotten out fairly promptly and with a fairly wide degree of dissemination.

Mr. WHITE of Kansas. If the gentleman will yield further, I think the annual report of the Department of Agriculture states the number of subscribers to whom copies go out as something like 43,000, and these market reports are all issued from Washington, as I understand it.

Mr. ANDERSON. No; I think the gentleman is mistaken about that.

Mr. WHITE of Kansas. The information is collected daily at Washington; and my understanding has been—I may be mistaken—that it is circulated from Washington. If the gentleman will pardon the further interruption, he knows that the markets at Chicago, Kansas City, Omaha, St. Louis, Indianapolis, and all the great centers for grain and stock furnish their subscribers daily with a market report which reaches them much earlier than the Government report, and it is a feeling quite general that these reports are fully as reliable as those which emanate from the Bureau of Markets. I have wondered if the duplication is really necessary and if it is worth much to the individual subscribers.

Mr. ANDERSON. I think if the gentleman will just cast his memory back over the period before we had any Government statistics on live-stock prices he will agree that the service is very much better on both sides since the Department of Agriculture entered the field.

Mr. WHITE of Kansas. "The gentleman from Kansas" casts his memory back, and he has been very familiar with this subject as a practical stockman and shipper for 45 years, and he has not become convinced that there is great benefit to the subscribers to the Government market reports, taking into consideration the limited number of personal subscribers who receive these reports as compared with the enormous number who are served by the daily reports published at the markets I have mentioned.

Mr. ANDERSON. I would not be surprised if the gentleman should find that a good many of the private reports to which he refers are based largely upon original information obtained from the Bureau of Markets.

There is some new language on page 71 designed to eliminate an experimental station which has been established for some years at New Iberia, La. There is a good deal of history connected with the establishment of this station. Gentlemen will remember that when sugar was placed on the free list in the tariff bill of some years ago there was a great deal of apprehension as to what might be the effect upon the sugar-cane growers of Louisiana, and it was thought necessary that they have some assistance in converting their production from sugar cane to live stock or something of that sort, and this station was established with that in mind. It has gone along now for seven or eight years at a cost of about \$50,000 a year, and a large amount, perhaps \$60,000, has been spent on buildings.

It is now discovered that the land on which the station is located will produce very little, if anything. It is only a few inches above the water table in the region, and the whole proposition is badly located. It should be redirected and relocated if it is to be conducted at all. So we carry a provision authorizing the Secretary of Agriculture to dispose of the property and the cattle owned by the Government at this point with the idea that if a showing can be made it will be relocated at some other point.

Mr. MANN. Will the gentleman yield?

Mr. ANDERSON. I will.

Mr. MANN. If the commissioners did not have sense and knowledge enough to locate the experimental station in a proper place, what hope is there that they will have knowledge and sense enough to do anything of benefit with the experiment hereafter?

Mr. ANDERSON. I do not think they are doing any good with it at present, and we have proposed to eliminate it.

Mr. MARTIN. Will the gentleman yield?

Mr. ANDERSON. Certainly.

Mr. MARTIN. Did the department recommend the elimination of this station?

Mr. ANDERSON. It did not.

Mr. MARTIN. Upon whose recommendation was the provision put in?

Mr. ANDERSON. The committee arrived at the conclusion as a result of the testimony brought before it. Of course, the department did not recommend its elimination; it seldom recommends the elimination of anything. [Laughter.]

Mr. MARTIN. I think the gentleman is mistaken in saying that it is not doing good work. I think it is doing remarkably good work for that section of the country.

Mr. ANDERSON. It is not well located and can not produce the feed necessary for the stock that they have at the station. It is not a question of genetics; it is not a question of breeding, but a question of the variety of cattle feed that can be raised in this section of the country to sustain live-stock production, and from that point of view it is badly located.

Now, I think that completes, in a general way, the principal items involved in the bill.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. GREEN of Iowa. I would like to inquire something about this item of \$165,000 for the Center Market.

Mr. ANDERSON. That appropriation represents something less than the amount that is now being expended in the operation of the Center Market. The salary roll basis is substantially the same as the present salary roll, with the exception that some supervising officials have been eliminated.

Mr. GREEN of Iowa. I thought the Center Market was leased out.

Mr. ANDERSON. The gentleman does not have any idea of what is down there.

Mr. GREEN of Iowa. Likely not, but I do not see why this expenditure should be made.

Mr. ANDERSON. In the first place, there is a large refrigerating plant which had to be operated, and in the second place, there is a large amount of service in connection with the icing and refrigerating, and the whole business has to be superintended under the law.

Mr. GREEN of Iowa. I might say that they have in my town an icing plant beside which anything that they have at the Center Market, even if they had the whole building full of ice, would be very small, indeed, and if it requires any such expense to carry it on, I am mistaken.

Mr. ANDERSON. This involves an administration expense to the Government, including the warehouse foreman, the receiving clerks, assistant superintendents, chief engineer, administration assistants, and accountants of \$28,680 as compared with the salary roll of the market company of \$39,008. It involves a personnel in the engine and boiler rooms of the average of \$12,840 as compared with \$12,960 by the market company. It involves an expenditure of \$12,000 for salaries in the repair shop of the Government as compared with \$12,077 of the market company. It involves the payment of salaries to provide a porter force in the storage plant of \$8,520 as compared with \$8,792 for the market company.

There is an item of approximately \$58,000 for repairs and remodeling of the plant, which is an expense somewhat higher than the expense of the Market Co. The whole interior has to be repainted and the refrigerating plant has to be rebuilt and some new machinery purchased, all of which was not involved by the Market Co. last year.

Mr. GREEN of Iowa. How much revenue does the Government get out of it?

Mr. ANDERSON. I have not the exact figures, but it is larger than the expense of operation.

Mr. GREEN of Iowa. A little larger than the expense of operation?

Mr. ANDERSON. \$280,000 last year.

Mr. GREEN of Iowa. Can the gentleman tell us how much the plant cost?

Mr. ANDERSON. It has never been ascertained yet. A commission was created and has been at work on it for three or four months, and I am sure the gentleman would not expect me to have in my head information that they have not been able to get in that time.

Mr. GREEN of Iowa. I should not expect the commission to get through with it inside of 10 years, judging from the way other commissions have proceeded. I had forgotten that for the moment or I would not have asked the gentleman the question, but in any event there ought to be some profit out of this thing.

Mr. ANDERSON. The profit this year will be very largely absorbed by the expense incident to the reconstruction of the refrigerating plant and work of that kind which is to be done. The gentleman can realize that in property of that kind about to be taken over by the Government the repairs to the plant would not be kept up to a high degree, with the result that the plant has greatly run down.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. NEWTON of Minnesota. With reference to the eradication of the barberry, is there any change in the amount given for the next fiscal year as compared with what is in effect for the present year?

Mr. ANDERSON. There is no change in that item.

Mr. NEWTON of Minnesota. Did the department recommend any increase in the item?

Mr. ANDERSON. There was no increase recommended in the Budget.

Mr. NEWTON of Minnesota. What about the appropriation for white-pine blister rust?

Mr. ANDERSON. There is an increase in that appropriation of \$75,000.

Mr. Chairman, in this somewhat materialistic age we are rather prone to gauge the value of things by their money return. I have asked the Department of Agriculture to make a statement showing some of the accomplishments of the department along scientific research lines and in connection with the regulatory services, and as well in connection with the services like the fruit and vegetable inspection, and I ask unanimous consent to extend my remarks in the RECORD by inserting a statement which the department prepared.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The statement referred to is as follows:

RECENT DEVELOPMENTS IN AGRICULTURE.

Those who have watched the progress of agriculture in recent years, the striking increase in the demand for scientific information regarding the multitude of processes in growing, marketing, and producing farm crops constitutes one of the striking features. The demand for information and the demand for increasing investigation by which this information is discovered or created is continually increasing. The application of this information to actual practice is much more prompt and much more general than even a decade ago.

LENGTH OF DAY.

It has been known and recognized for centuries that native plants are adapted to their particular environment, so that they develop seeds, fruits, bulbs, or tubers, as the case may be, in time to serve for the propagation of the species. Just what the factor was that provided this regulation of the activities of the plant has never been known.

It has been thought that it was the difference in the intensity and composition or quality of the sunlight, the range of temperature, the fluctuation of day and night temperature, and other factors have been investigated.

Recently a study of the effect of the length of day was undertaken, and it was found that by artificially regulating the length of the daily light period many plants are readily forced into flowering and fruiting out of season, or, on the other hand, these activities may be indefinitely delayed. In a similar manner it has been shown that the formation of bulbs and tubers is largely conditioned by seasonal change in the length of day.

It now appears that a very large number of the phenomena of the adaptation of plants to different environments are controlled by the length of the daylight period. These discoveries open up a tremendous field for further scientific development. It is probable that this is one of the factors that explains the constant movement of civilization toward the more temperate regions during the many centuries past. It has long been known that the maximum productivity of most of the food plants is found near the northern limit of their adaptation, and it is probable that the explanation for this will be found in the influence of length of day.

This discovery will enable the scientists to test the possibilities of modifying a plant so as to adapt it to different environments in a preliminary way without the expense of testing it in each one of these different regions. In this way it will undoubtedly be possible to extend beyond the northern and southern range of many plants far beyond their present limitations by subjecting them to extreme changes and selecting those that more readily respond to the process. It will enable the plant breeder to force plants into flowering at any given time, and thus enable him to hybridize plants that can not normally be utilized on account of difference of time in flowering. The commercial applications of this discovery will undoubtedly be very numerous; one is already in operation. The Maryland Mammoth tobacco is a very valuable type but does not mature seed in this section. By growing the seed plants in Florida in the short days of the winter period it is found to seed abundantly. It has already been found that the adaptability of different varieties of alfalfa to different regions can be more rapidly determined by subjecting them to tests with different lengths of daylight than by any other method.

This reaction to the length of day has been found to be a very wide application in nature. It has been experimentally proven that lower forms of animal life respond to changing day length, and this seems to be the most satisfactory explanation of the phenomena of bird migration that has been suggested. Many other applications will undoubtedly be found.

IMPROVEMENT THROUGH BUD SELECTION.

It has long been held that by budding and grafting the valuable features of a given variety of fruit might be transmitted to all the progeny unchanged. Recently investigations have proved that there are wide differences in the productive power and commercial value of budded stock. This has been worked out by the department in a careful study of the oranges, lemons, and grapefruits in California and certain strains of high production have been selected.

From these proven high-producing varieties scions and buds have been distributed in large numbers. This work has already proven so valuable that the California Fruit Growers' Exchange has organized a bud department, through which the propagating work of the high-producing trees is made available to nurserymen and fruit growers, thereby insuring so far as possible the production of a uniform, highly desirable quality of fruit for marketing in future years. Nearly 1,300,000 buds have already been distributed and the demand is increasing. Two hundred and seventy-five thousand buds were supplied in three months of the past year.

Undoubtedly this discovery will only be a stepping-stone to others in other lines of production. The apple, pear, peach, plum, and grape are similarly propagated, and if uniform and high-yielding varieties of these fruits can be definitely established it will be of tremendous importance in the development of the fruit industry.

EXPANSION OF DATE CULTURE.

The United States has within its borders almost an endless variety of climatic conditions, a variation far greater than can be found within the confines of any other great nation. From the extremely short season of our northern borders and high altitudes to the extreme Southwest, which contains the hottest place in the world from which meteorological reports are obtained, is an extremely wide variation. Rainfall also varies from 4 inches to over 100 inches in different regions under many variations in temperature. The earlier settlements of this country were started in the temperate regions and have spread from there outward in all directions, usually taking with them the plants and animals adapted to this median climate. Recent researches have shown that other plants and animals are much more highly adapted to some of these extremes, and will give far more profitable returns when once their requirements are ascertained.

The date industry, which has flourished on the Sahara Desert, has in recent years been partially transferred to the deserts of the Southwest. In southern California, Arizona, and Texas nearly 200 varieties have been tested, and out of these two have been selected of outstanding value. The first to be established in the Southwest, the Deglet Noor, the choicest of the dates of the western Sahara, has been growing in the Southwest for 10 years, and there are now nearly 10,000 plants in this country. There is a Deglet Noor Date Growers' Association, using up-to-date scientific methods for the curing, standardizing, packing, and marketing of this variety. The second valuable variety, the Saily, which, unlike the other, improves rather than deteriorates in storage,

was found just before the war in the oases of the Libyan Desert. This date has shown so much promise that heavy importations are now being made, and 10,000 offshoots will be planted in America before the end of this season.

The experts who have studied it have no doubt but that date culture will prove to be an important new fruit industry where the climate is suitable and irrigation water is available. Several million dollars have already been invested, and there is every reason to expect that it will develop to a twenty-five or fifty million dollar industry. The natural development of this industry must, however, be slow, because the date palm is only propagated by offshoots, of which only a limited number are produced during the early life of the palm.

The department has only been studying date culture for 20 years, but has accomplished more in a scientific way than has been accomplished in the Old World in 20 centuries.

CEDAR RUST OF APPLE.

Pathologists discovered the relation of the cedar fungus to the disease of apples over 30 years ago, but little practical application was made of it until recent years. Within the past two or three years these investigations have reached the point where methods of commercial protection could be recommended. Organized efforts to eliminate the cedars from the apple regions most seriously affected had been made and great saving to the apple growers and an increased production of apples for market have resulted.

APPLE SCALD.

Immense losses have been suffered annually from this storage disease of apples. After long investigation the disease was recently found to be due to gases emanating from the apple itself and deadly in its effect when closely confined in the package. Two methods were then tried for its control—one by ventilation, the other by absorbing the poisonous gases with oil wrappers. The first method has been only partially successful under ordinary storage conditions. The oil-wrapper method has proven to be a complete commercial success.

APPLE ROSETTE.

Immense loss to fruit growers has been suffered for years through the western regions due to an obscure physiological disease called apple rosette, or chlorosis. Much time and money have been spent in the investigation of these problems with but little success. Recently it was discovered that the planting of a legume, such as alfalfa and clovers, have proved to be a specific remedy for these diseases. In the same way cowpeas and velvet beans have had the same effect on citrus chlorosis and the pecan rosette and allied diseases which were seriously threatening these industries.

WHEAT IMPROVEMENT.

The varieties of spring wheat in the great wheat producing regions have almost all been changed in the past 30 years. The rapid increase in results in plant breeding work in the past few years has enabled the development of still better varieties either because of their higher yielding value, better quality, or greater rust resistance, with the result that 11,000,000 acres of one new variety (the Marquis) were planted last year, and much of the remainder was planted to other improved strains. Even in the winter wheat sections improved varieties of Turkey and such as the Kanred, which have been proved to be highly rust resistant, have been substituted for the varieties previously grown.

LEGUMES.

Tests of different varieties of leguminous crops have resulted in the selection of satisfactory varieties of soy beans with a resultant tremendous increase in the number of acres devoted. A number of oil mills have been established for the handling of this product, and America bids fair to successfully compete with the Old World in this item.

Continued studies and improvement of varieties of sweet clover have resulted in a similar increase in the plantings of this soil renovating crop. Red clover has been rapidly failing throughout the United States for reasons that are not well understood, and the sweet clover is coming just in time to take its place.

The development of early maturing varieties of velvet beans have rendered this crop available to large areas, especially of the southern region, and has resulted in a tenfold increase in the acreage devoted to this crop.

The increase in the use of legumes is one of the most hopeful factors in the fight for the establishment of a permanent agriculture which is to mean so much for the future prosperity of the Nation.

TUBERCULOSIS.

Tuberculosis work was originally started with the idea of testing and preventing the interstate shipment of tubercular animals. This rapidly developed into the accredited herd plan whereby instead of testing individuals tests were limited to herds in which all individuals would be subjected to tests, and when a herd had been found to be free it was given an accredited certificate. This work proved to be so popular and successful that the demand has always exceeded the ability of the department to carry it out. Eight thousand two hundred herds have been tested and fully accredited as free from tuberculosis, while at the close of 1921 more than 27,000 herds were on the waiting list, showing the widespread appreciation of this effort. In the course of this work this disease has been practically eliminated from 100 counties in 23 States, and has resulted in the gradual but steady decrease in the amount of tuberculosis found in the herds that are being tested.

The wonderful success of this movement gave encouragement for extending the work to a definite program of complete eradication of the disease. Taking the county as a unit it was found possible to secure cooperation in the testing of every herd in the area, and in the course of time of the eradication of the disease and the accrediting of the entire herd. Within the year the first county was officially declared to be free from this process, and the work is under way in a large number of counties in various States. As in the accredited herd work, the limitation of funds available has prevented its inauguration in all of the herds desiring it. In Michigan 29 counties are actively engaged in the work and 4 others are ready to begin. In Iowa 2 counties are at work and 12 other counties have made application. In Wisconsin the entire northern section is working toward this basis. Tuberculosis eradication is moving with very much greater rapidity at the present time than tick eradication did at its inception, and bids fair to rival the wonderful success of that other movement in eradicating this disease, with its tremendous losses from large areas of the cattle-producing region.

TICK ERADICATION.

In the United States tick eradication is 70 per cent completed, and is going forward at the rate of about 40,000 square miles per year. A large amount of well-bred live stock, especially of dairy herds, is now flourishing in the area freed from the tick. This work is costing about 32 cents per acre. The extra milk given by one good cow in one day would be more than enough to pay for the cost of eradicating ticks from an acre.

HOG-CHOLERA CONTROL.

Hog cholera was up until a few years ago a scourge which menaced the swine industry, and spread swiftly from time to time through entire herds, leaving death and destruction in its wake. Although due to several causes, this achievement is essentially the outcome of the preventative-serum treatment, combined with active field-control work. As the result of this campaign losses from hog cholera have declined from about 120 per thousand in 1914 to 38 per thousand in 1921, the lowest swine mortality figure on record.

One of the most recent of the many important scientific and practical discoveries in parasite control has been the method of handling the deadly round worm of the hog. This method has received thorough and practical tests under farm conditions in Illinois with striking results, and is now ready for practical application throughout the industry. The announcement of this discovery has aroused widespread interest, and 26 copies of the motion-picture film showing the process are in almost constant use carrying this message to the people.

NEW BREED OF SHEEP.

The department's sheep-breeding work for range conditions has developed a new type, the Columbia, which had on the average more wool, mutton, and heavier lambs than the best types of range sheep heretofore used.

HORSE BREEDING.

The utility horse being developed at the Wyoming station has proved so popular that there has been a large demand for this breed in the western section.

BETTER CHEESES.

The dairy division has so perfected its method of standardizing the production of high quality Swiss cheese that it has become well established in the commercial industry of this country. In fact, American-made Swiss cheese was recently shipped to Switzerland. Similar success has been achieved in the production of Roquefort and Camembert and other types of cheese formerly obtainable only from abroad.

PEACH CURCULIO.

A year ago the peach growers of Georgia and the southern section generally were in the depths of despair. One-half of their expected peach crop had been destroyed by the extraordinary attack of plum curculio and brown rot. The department was appealed to, experts were sent to study the situation, clean-up methods were employed, and an active spraying and dusting campaign was inaugurated with a net result of the shipment the past year of the largest crop that the State has ever marketed. The entire situation of these fruit growers has been changed from one of extreme pessimism to one of confident optimism.

THE PEACH BORER.

The new remedy for this insect—para-dichlorobenzene—has been demonstrated as successful beyond the slightest doubt and has been adopted by the growers with remarkable promptness. The extreme injury of this pest has threatened the industry and the growers are turning to this remedy with such rapidity that its use apparently will be almost universal in the course of two or three years with savings running into the millions of dollars.

SAN JOSE SCALE REMEDY.

If the tests of the last year or two are confirmed during this season the department expects to announce a more efficient and cheaper remedy for the San Jose scale than has been established heretofore.

SWEET POTATO WEEVIL ERADICATION.

Only two small infestations of this weevil remain in Georgia and a similar area in northern Florida. Every condition looks favorable for the complete extermination of this insect in this large commercial area, thus saving losses running into the millions of dollars that would otherwise have occurred.

CELERY SPRAYING.

The celery industry of two counties in southern California dropped from 11,000,000 acres to 2,000,000 acres owing to the attack of a celery insect. A method of control has been worked out so that there is no reason why the industry should not again resume its original proportions.

TIPBURN OF POTATOES.

Tipburn of potatoes has caused serious and widespread losses to the potato industry throughout the northern region in the past few years. This has been discovered to be caused by a leaf hopper, and experiments have demonstrated a practicable and efficient method of control by spraying with Bordeaux mixture. Potato production was doubled in many commercial fields last year where this remedy was applied.

OX WARBLE.

Methods of treatment of cattle infested with warbles have been developed which make it possible to rid the herds of this grub with a minimum of effort and expense. During the coming season it is planned to demonstrate its effectiveness when applied to a whole county with the expectation that the use of this remedy will become widespread and that ultimately it may result in an organization for the entire eradication of this pest.

PINE BEETLE CONTROL.

This beetle has killed trees with 1,500,000,000 board feet of lumber value in the past 10 years. During this period methods of control have been constantly increasing in success, until recently the department has been able to put on control of considerable areas. Its success in this small area work has been so pronounced that the States of California and Oregon united in requesting the United States Government to join with them in a clean-up of over 1,000,000 acres of Federal, State, and private land with a stumpage value of over \$25,000,000. The protection of this entire area is expected to be accomplished with the expenditure of less than \$150,000.

THE GIPSY MOTH.

A widespread outbreak of this seriously injurious insect was discovered in New Jersey less than two years ago. Already the department has the infestation reduced to a small fraction of its previous

numbers and hopes by unceasing watchfulness to be able to continue this reduction to a point where eradication may be brought about. This insect spreads rapidly by means of the wind, and if the New Jersey area is not entirely eradicated, it will undoubtedly spread through the New England region and westward to the Alleghenies where its proclivities for stripping and killing the forests will make it a pest of tremendous magnitude.

FOREST FIRES.

The Forest Service has been gradually increasing in economy and efficiency of fire control until now its fire-suppression cost is \$16,000,000 and the number of fires and the area burned have been gradually but steadily decreasing from year to year.

FOREST RESOURCES.

Nearly a billion feet of timber are now being cut annually from the national forests, and at the present rate of increase this will be doubled within a short time. The national forests can furnish seven times as much timber as at present and still keep within the current growth and replacement. As other supplies are exhausted this reserve will be called on and the forests of the Nation will become a resource.

The forests furnish grazing for over 9,500,000 head of live stock, and with all their efforts toward increasing the carrying capacity they have not been able to keep up with the demand.

The forest products laboratories have eliminated enormous losses in the use of timber by perfecting methods of seasoning and preservation and by eliminating wastes in the manufacture of commercial products. They have tested out the paper-making quality of over 100 species of American woods and have brought into commercial use a number of species formerly discarded as waste.

IMPROVED CANE SIRUP.

The department has perfected a process for preventing cane sirup from fermenting or crystallizing under ordinary conditions, and has succeeded in getting this established on a commercial scale. This will enable the cane producer to make a sirup of uniform and satisfactory consistency which should be acceptable on all markets and should result in a great expansion in the industry.

CITRUS BY-PRODUCTS THROUGH INVESTIGATIONS OF THE DEPARTMENT.

It has been possible to utilize the cull and surplus oranges, lemons, and grapefruit, and those that have been bruised in handling as the result of investigations of the department in processes of utilization. As the result of an experimental laboratory in Los Angeles 4 companies are manufacturing lemon by-products and 20 concerns are producing orange by-products. This work has created an outlet for practically all of the cull and surplus citrus fruits of the California region and has developed a new American industry.

SWEET POTATO SIRUP.

Sirup from sweet potatoes is now being manufactured on a commercial scale and is being introduced into the trade for baking, candy making, and table purposes. The possibilities of this as a commercial industry lie largely in the utilization and marketing on the part of the sweet potato crop which hitherto it has not been practical to either store or ship to northern markets. Potatoes that are too small or too large for table use or for commercial canning are as useful for sirup making as the perfect ones.

DUST EXPLOSIONS.

As the result of the investigations of the department the number of explosions in thrashers in the Pacific Northwest has been reduced from 300, with a property loss of \$1,000,000, in 1914 to less than 60, with a property loss of \$15,000, at the present time. Practically no explosions have occurred in thrashers equipped with safety devices as recommended. The work on the prevention of explosion in flour mills and grain elevators has been equally successful. During 20 months previous to 1917, 5 disastrous explosions occurred, resulting in the loss of 36 lives and a property loss of \$6,500,000. A nation-wide campaign was put on at that time, and not a single explosion occurred in a plant where the precautionary measures recommended by the department had been adopted during the next 20 months.

FARM MANAGEMENT.

This work has furnished much information of value on the cost of production of different farm crops and live stock and the relative cost under different methods of handling, thereby leading to the adoption of more efficient and economic methods. It has studied the relative cost and usefulness of the horse and tractor. It has studied the problems of tenancy and helped bring about uniformity in leasing contracts. It has studied the problem of the economic use of the present farming area and the possibilities of extension. It has furnished valuable information with reference to the shifts in American agriculture and their causes, and will be in a position to recommend bases for further readjustments in relation to conditions as they arise.

CONTROL OF PREDATORY ANIMALS AND REDUCTION OF STOCK LOSS.

The Biological Survey has in the past few years organized an almost nation-wide attempt at the control of predacious animals and rodent pests, and has as a result of this interested the States and communities very largely in the support of the enterprise. As a result of this campaign over 300,000 coyotes and 4,000 big gray wolves have been killed, and stock losses that used to amount to over \$20,000,000 a year have been rapidly reduced. In the same way the losses from prairie dogs and ground squirrels have been notably decreased in many areas, and the methods of controlling them have been so thoroughly perfected that they will be carried out in many more in the near future.

RABIES OUTBREAK.

An outbreak of rabies on the Pacific coast which spread from Oregon southward to California and extended across the deserts into the Wasatch Mountains, and in which more than 2,100 people were bitten, 59 of whom died; more than a million dollars' worth of live stock was destroyed by this same outbreak by the rabid animals. This menace at one time threatened to spread to the entire United States, but prompt action on the part of the Biological Survey in poisoning and trapping the coyotes which were spreading the disease absolutely exterminated it in five out of six States and brought it under practical control in the sixth, thus eliminating what appeared at one time to be a national menace. The campaign for the eradication of the house rats is just now reaching the stage in which the predatory animal work was a few years ago, and undoubtedly tremendous losses by these pests will be prevented in the near future.

NEW POISON.

A new and more effective method of poisoning predatory animals has been worked out within the last year. Two men working in northern Arizona for one month during the past season destroyed coyotes on

such a scale that the carcasses of over 300 were found. These results with those achieved in the rodent work indicate the probability of eventually eliminating these pests and relieving agriculture and stock growing from the heavy drain to which it has long been subjected from the inroads of these animals.

The fur-farming industry has now reached a growth of approximately \$8,000,000. The reindeer industry of Alaska, which has been hampered by lack of proper methods, is believed to be capable of development from the present size of 200,000 animals up to 4,000,000 and thus provide Alaska with an industry the income of which will exceed that of the precious metals and be second only to the fisheries.

THE PINK BOLLWORM.

The pink bollworm menace to cotton has been kept in control and very notable progress toward the elimination of this pest from the United States has been made.

The State of Louisiana was entirely free from this pest in 1921 so far as could be determined by the most intensive field inspection, and the large area in the southwestern part of the State has been free from this pest now for over two years, and cotton growing in this section under regulation will be resumed.

The areas in eastern and central Texas have been enormously reduced; in fact, but a single infested boll and a single bollworm were found in the huge Trinity Bay area in 1921.

The pink bollworm has never reappeared in the Hearne area, one of the original points of infestation, now for a period of five years, and extermination is apparently assured for that district.

All of the States concerned—Louisiana, Texas, and New Mexico—are giving adequate cooperation and particularly in the case of Louisiana and also in Texas have made considerable cooperative appropriations. The outlook, therefore, is more favorable than ever before and if this pest can be eradicated and kept out of the United States it will mean the saving of hundreds of millions of dollars annually to the cotton crop.

THE POTATO WART.

The potato wart has been held to the limited districts in mining sections of Pennsylvania, western Maryland, and West Virginia. The determination of the fact that many important varieties of potatoes are immune to this disease and the enforcement of the growing of such immune varieties in the invaded section, together with quarantine control, has accomplished this purpose and eliminated very largely the dread of disaster to the potato crop of this country which the discovery of the invasion of this disease first occasioned.

QUARANTINES AGAINST INSECT PESTS AND PLANT DISEASES.

The department is enforcing quarantines against the importation of injurious insect pests and plant diseases from all the countries of the world. With the cooperative assistance of Florida and California especially, this quarantine is maintained at every port of entry to the United States and is serving as a constant protection to the agricultural, horticultural, forestry, and nursery interests of this country. In this work it annually inspects and safeguards importations totaling several hundred million dollars. Last year over 8,000 contraband shipments were intercepted at other ports than those on the Mexican border. Many of these were infested with injurious pests.

On the Mexican border 20,000 cars were fumigated in the past six months and 31,000 contraband parcels and shipments were seized. Many of these parcels contained cotton seed, much of which was infested with the pink bollworm. Others contained fruits infested with fruit flies and other injurious insects. A few examples may give a better understanding of this service.

There have been intercepted during the short period since this service was inaugurated 192 brown-tail moth nests filled with half-grown larvae, 36 egg masses of the gipsy moth, each one of which may contain from 500 to 1,000 eggs, 59 examples of the pink bollworm with cotton seed, a good many of which came in through northern and eastern ports of entry, one big shipment of broom corn from Italy heavily infested with the European corn borer, numerous interceptions of Mediterranean and other fruit flies with imported fruits from tropical countries, 35 shipments of citrus fruits infested with citrus canker, and some hundreds of other pests, involving at least a dozen of probably great importance not yet established in this country. Two specific illustrations of these interceptions follow:

Exclusion of a potato enemy, probably worse than any now occurring in the country: Early in February an inspector of the board discovered on a vessel coming into the port of New Orleans 1,000 pounds of potatoes taken on in Mexico. These potatoes proved to be riddled with the large grubs of a potato weevil, the entry and establishment of which in the United States might very easily jeopardize the entire potato crop of America. This lot of potatoes was burned. This and closely related weevils infest potatoes on the Andes Mountains of South America and apparently also in Mexico. Fortunately, with the original distribution of the potatoes from these regions to other quarters of the world this weevil was left behind. No tuber-destroying pest of this kind is known anywhere else in the world and the potato tuber has been practically free from injury. This is only one of several interceptions of this pest.

A new establishment of the pink bollworm prevented: A regular Pandora's box was intercepted by the inspector of the department at Baltimore, Md., February 23. It contained, among many other things—plants and seeds—59 small packages of cotton seed from Brazil, infested with living larvae, pupae, and adults of the pink bollworm. Incidentally, this interception indicates the grip which this great cotton pest has obtained on Brazil in the course of a very few years. If this seed had not been intercepted through the effective work of the plant quarantine inspector, the innocent-looking personal package would have carried to the heart of Mississippi, the destination of the passenger, enough pink bollworms to have started an invasion in that State which might have gotten entirely out of control before discovery. This interception alone is worth to the country many times the cost of the administration of the entire port inspection service, State and Federal.

CITRUS CANCER.

Three or four years ago the citrus canker was threatening to absolutely annihilate a \$300,000,000 citrus industry in the Gulf States, and its presence there was seriously threatening the entire citrus industry of California, of approximately twice that magnitude. To-day the citrus canker has apparently been eradicated from every commercial orchard district in the South and there only remains the task of watching the formerly infested centers and the clearing up of scattered infestations in outlying regions in Louisiana and Texas.

SOIL SURVEY.

The survey, in cooperation with the States, is progressing at a rate of a little less than 40,000 square miles per year and has covered about 37 per cent of the total land area of the United States. These surveys furnish the basis for further studies by the department and experiment stations on the fertilizer needs and methods of handling these soils. They also furnish the basis for accurate extension work of methods already worked out on similar soils in other regions.

ROAD WORK.

The department has studied the effect of hard tires, rubber-cushioned tires, and inflated tires on trucks and their relative disintegrating effect on concrete. This study has shown immensely greater destructive effect of the heavy truck, especially on slight inequalities in the road or worn places in the solid-rubber tires. These studies will enable us to build roads that will withstand reasonable truck service and formulate regulations for the prevention of the abuse of roads.

Other studies have shown that the failure of many concrete roads has been due to conditions of the subgrade, and pointed out methods of remedying these conditions so that permanent roads can be built in the future. With the road-building program involving as much expenditure as at present, these studies are highly important and will effect tremendous savings in increased efficiency of the roads built. With highway improvements going forward at the rate of 24,000 miles annually, with 10,000,000 motor vehicles out on these roads, and with an army of a million men, with a total annual expenditure by the Federal, State, and local governments almost double the whole cost of the Panama Canal, these discoveries, which go directly to the foundation of the science of road building, will yield their return to the people of this country so great and far-reaching as to be practically beyond estimation.

SERVICES.

The department is furnishing a large number of valuable services to the public. Many of these—in fact, the majority of them—are of much more value to the consumer than to the producer. All of these services are being improved from time to time, their efficiency increased, and more economical methods introduced. The meat inspection protects all importations of meat and all meat in interstate commerce. As all meat concerns do interstate work, it results in the protection of practically all meat in the country except the local butcher shop.

The weather service is furnished daily to all the people in the country and even hourly in emergencies in the form of storm warnings, frost warnings, floods, and other emergencies. The development of the frost-warning service has enabled whole orchard valleys to protect their holdings against frost danger. The flood warnings have enabled the saving of millions of dollars of property and many human lives. Hurricane warnings reduce to a tremendous degree the hazards of the shipping industry.

The Crop Reports give us a monthly basis of estimation of production and the Market Reports a daily index of market trends. They also furnish annual summaries, estimates of stocks from time to time, and all available information with reference to production in foreign countries.

The department supervises the pure-food legislation, preventing fraud, adulteration, and misbranding of the thousands of articles that make up the foodstuffs of the country.

The extension work carries the message of every new discovery directly to the community to which it is applicable and encourages its use. It encourages the organization of cow-testing associations, of better-sire associations, of community improvement, of crops and live stock, and in general serves as a connecting link between the progress of organized science of agriculture and the farmer in the field.

The Forestry Service protects the forests from fire, arranges for the sale of timber, and supervises its cutting so as to insure reforestation, regulates grazing, and in general acts as a manager of the Nation's most important single asset in such a way as to annually increase its productive value and its future potential worth.

The road department supervises and directs the building of every mile of highway on which Federal funds are expended, thus tying the State and Federal expenditures into a single uniform system. The requirements for Federal cooperation are such as to have brought about a tremendous improvement in the efficiency of the personnel of the State highway commissions, and thus indirectly has contributed to an increased efficiency in the expenditure of every dollar of State as well as national funds.

The department as a whole considers itself intrusted with the development of the agricultural interests of the Nation in their broadest and most comprehensive sense. It recognizes that the development of an adequate supply of food and raw materials is fundamental to the development of a prosperous, enduring Nation, and directs its efforts to that end.

Mr. BUCHANAN. Mr. Chairman, I would say to my colleagues on this side of the House that at this time I think it is unnecessary for me to make any speech on this bill. I want to say, however, that in the deliberations of the subcommittee preparing the bill there was absolutely no politics, and nothing was done which was actuated by sectional prejudice or discrimination. The entire committee had their heads and hearts together in an effort to bring back a bill that would forward the interests of agriculture in the United States, and we think we have done it. [Applause.]

I yield 40 minutes to the gentleman from Louisiana [Mr. ASWELL].

Mr. ROUSE. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Kentucky makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-five Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ansoorge	Bankhead	Brinson	Burdick
Anthony	Bell	Britten	Burke
Bacharach	Blakeney	Bulwinkle	Burtness

Cantrill	Ireland	Montoya	Rucker
Chandler, N. Y.	James	Morin	Ryan
Chandler, Okla.	Jeffers, Ala.	Mudd	Sabath
Clark, Fla.	Johnson, S. Dak.	Nolan	Sanders, N. Y.
Coughlin	Jones, Pa.	Norton	Sinnott
Doughton	Kahn	O'Brien	Slomp
Drane	Kitchin	Ogden	Snell
Edmonds	Kline, N. Y.	Oliver	Speaks
Ellis	Kopp	Osborne	Stiness
Fairchild	Kreider	Parrish	Sullivan
Focht	Kunz	Patterson, N. J.	Taylor, Ark.
Goldsborough	Langley	Perlman	Taylor, Colo.
Gould	Lankford	Pou	Tillman
Graham, Pa.	Larson, Minn.	Rainey, Ala.	Timberlake
Greene, Mass.	Layton	Rainey, Ill.	Vare
Greene, Vt.	Lee, N. Y.	Rayburn	Ward, N. Y.
Griffin	Linthicum	Reavis	Weaver
Hays	McClintic	Reber	Wingo
Herrick	McCormick	Riordan	Winslow
Himes	McLaughlin, Pa.	Robertson	Wise
Hogan	McSwain	Rodenberg	Woods, Va.
Husted	MacGregor	Rogers	Yates
	Mansfield	Rossdale	Zihlman

The committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10730, that it found itself without a quorum, and he caused the roll to be called, whereupon 325 Members responded to their names, a quorum, and he handed in a list of the absentees to be printed in the Journal.

The committee resumed its session.

The CHAIRMAN. The gentleman from Louisiana is recognized for 40 minutes. [Applause.]

Mr. ASWELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Chairman, much has been said recently with reference to the appropriations by this Congress and by the last Congress. Senator LODGE, of Massachusetts, juggled the figures down to about a billion and some odd dollars. The gentleman from Ohio [Mr. FESS] did some more juggling and brought them down to something over a billion dollars the other day, but it is not a question of opinion, it is a question of the facts of record. I hold in my hand the actual records made up by the clerks of the Committees on Appropriations in both Houses. The Congress for the fiscal year of 1922, under discussion, appropriated \$4,780,829,510. It is not a question of debate or of opinion. This statement carries also with it the appropriations for the Department of Agriculture since 1882, and I call the attention of the committee to the astounding fact that in spite of the depressed conditions of agriculture at this time and the struggle that is being made in behalf of that industry, the Republican Congress in this bill, while finding plenty of money for other activities in support of special privileges, for the first time in 15 years has reduced the appropriation for agriculture over \$3,000,000.

I am a member of the Committee on Agriculture and I think I am within my rights when I present the record of a most extraordinary procedure a few days ago. This is not a personal matter; it is a matter of principle. If my own floor leader, the gentleman from Tennessee [Mr. GARRETT] were to come before the Committee on Agriculture, of which I was at the time a member, and should undertake to dictate to that committee what its duties are, what it can do and can not do, what it should do and should not do, what it must do and must not do, if he were to presume to have that autocratic authority and that notion of his duties, I would speak of his procedure precisely as I shall of the dictatorial procedure of the gentleman from Wyoming [Mr. MONDELL], the Republican floor leader of this House.

I want it particularly understood that the gentleman from Wyoming [Mr. MONDELL] let it be known that he wanted to appear before the Committee on Agriculture. On page 14 of the official stenographer's report he so states that fact. The Committee on Agriculture, eager to do everything possible for the distressed agricultural conditions in this country, gladly invited him, for it had been announced that he wanted to come. So last Tuesday he came to the Committee on Agriculture, and for an hour and a half proceeded to assail the bills pending before that committee for the benefit of agriculture in this country in these depressed times. I do not know with what authority the gentleman from Wyoming came to that committee. He appeared to have commanding authority, but I do not know whether his authority was from the White House, authority from Dr. FESS, Republican chairman of the congressional committee, or authority from the millionaire steering committee, or authority from the organization of his party. He certainly appeared to have commanding authority, and he appeared to

speak with a superabundance of wisdom superlative in form of a certain kind, but he was shockingly short on information as to the contents of the measures pending for relief of agriculture. I do not know whether it was a mosaic or composite from the White House, Dr. FESS, and the steering committee, or whether it was the effusion of a great single individual intellect; I do not know which, but he seemed to possess much wisdom, telling the committee what it should do and what it should not do. Why did he come? He knew that these pending bills before the Committee on Agriculture were so strong before that committee, right as they are and worthy as they are, that that committee was about to report them out unanimously, and he knew, too, that if the Purnell bill reached the floor of this Chamber increasing the service of experimental stations in every State in this Union—he knew that if that bill reached the floor of this Chamber it would pass in spite of him, and he went there to assault it on the side. He did. Now, gentlemen, I hold in my hand a report of the official stenographer. It is not revised and it is not compressed or extended. It is exactly what he said. Gentlemen will recall when he wanted to say something he did not want the country to know about he always told the stenographer to lift his pen.

I remember what he said when the pen was lifted—and the committee members do. He took us through a most charming trip; he journeyed us over the vast plains of the great West and portrayed what seemed to be his young, innocent, and heroic life individually—his early career. He finally reached the point on the thirteenth page of this closely written stenographer's report. Mr. RIDGICK asked, What about the stabilization of agricultural products? The gentleman from Wyoming spewed it from his mouth, scorned it, denounced it, and ridiculed it until nobody else said a word about it while he was in the room. Then, on page 14, he came to the bill he came there to assault. Referring to the Purnell bill, which is a bill to enlarge and extend the experimental stations in the different States of the Union, he attacked it vigorously, persistently, and forcibly, and, of course, he rambled around it for 14 pages before he got to it. But he said it was out of the question, substantially, to consider any bill on agriculture that entailed additional appropriations. He said, "I have expressed a willingness to come and talk about this bill," and then he wandered away again. It was very entertaining—delightful. He wandered on and on again and on again until he came to the nineteenth page, and then he said that the Purnell bill was a bill that he knew something about. Mr. PURNELL insisted that his bill meant to reduce the cost of production to the farmer, and the gentleman from Wyoming startled the committee with this astounding statement. He said: "I think I know quite a bit about experiment stations." Now, we never found out what "quite a bit" was, and we do not know yet; and when Mr. PURNELL insisted that it was to improve farming the gentleman from Wyoming made this statement. He said: "You claim it will help the farmers to help themselves. What is proposed in the bill is to help the professors." That is "quite a bit" about the subject of experiment stations.

If the gentleman from Wyoming [Mr. MONDELL] will spend one hour eagerly studying the testimony presented before the Committee on Agriculture by Dean Russell, of the University of Wisconsin, proving the value and imperative need of the Purnell bill to the farmers of the country, I confidently predict that the gentleman from Wyoming will come back to the Committee on Agriculture and apologize for his assaults upon the Purnell bill.

Now, Mr. Chairman and gentlemen, when we brought up the question of these various activities for the relief of the farmers, Mr. MONDELL said that there was no money for public buildings, no money for anything we would like to do for the farmers. He said, "We will cut the river and harbor appropriations to the bone. We propose to cut everything." Then I said to him, "What about the Sheppard-Towner education bill?" and that is when he told the reporter to lift his pen, but I am going to tell you what he said. He said, "Oh, no. No gentleman informed would for a moment believe that the Sheppard-Towner bill or any bill of that kind will be even considered by this Congress." Is not that what he said? Of course he said that. [Applause on the Republican side.] He sent aglimmering the ambitions of a lifetime of Mr. TOWNER in his education bill and the great soldier, Brig. Gen. Sawyer, in his ambitious Department of Public Welfare schemes.

Mr. MONDELL. Will the gentleman yield?

Mr. ASWELL. I will yield, gladly, but do not take up so much of my time. You are taking a lot of my time before you start. [Laughter.]

Mr. MONDELL. I did not say before the committee—

Mr. ASWELL. Did not say what?

Mr. MONDELL. I did not say before the committee that no bill like the Sheppard-Towner bill would ever be considered by the Congress. I did say that it would not in my opinion be considered this session of this Congress, and that was what I was talking about in regard to all these bills—that I did not think they should be considered this session of Congress.

Mr. ASWELL. Now, let me see what the gentleman did actually say. It is not a question of veracity. I will read his own language in the official stenographer's report. Let me answer that question. The gentleman from Wyoming, discussing this agricultural legislation, said that there is no constitutional warrant or authority to do this thing and that there is no authority to do any of this sort of thing we were discussing before that committee. That was his language. I will read it again:

I do not know of any authority in Congress to do anything of that kind.

I do not say, sir, that you said you would never consider this bill, but you said that this Congress would not.

Mr. MONDELL. Will the gentleman yield?

Mr. ASWELL. I can not yield further.

Mr. MONDELL. The gentleman must not misstate what I said before that committee.

Mr. ASWELL. What better evidence can I have than the stenographer's report?

Mr. MONDELL. Whatever there is in the stenographer's report stands, but the gentleman's alleged recollection is quite another thing, and when I spoke about unconstitutionality—

Mr. ASWELL. I did not yield for a speech.

Mr. MONDELL. I was talking about the fixing of prices in time of peace.

Mr. ASWELL. I want to call your attention to this fact, that after the gentleman from Wyoming came and insisted that no constitutional authority existed to aid the farmers, in 30 minutes we were assembled in this Chamber and we listened to the President of the United States call upon Congress to stabilize shipping in the country.

The question arises, How does it happen, in the opinion of the gentleman from Wyoming, that there is no constitutional authority to stabilize agriculture when the same Constitution permits the Congress to stabilize railroad and ship owners of the country? That is the question. [Applause on the Democratic side.]

Why, Mr. Chairman, the gentleman from Wyoming in his philosophy reminds me of the young fellow who was studying medicine and practicing with an old doctor. The old doctor took him to see a sick Irishman. The patient had a high temperature, and the old doctor said, "Get up and eat some corn beef and cabbage." The next day the Irishman was back at work. Then the young doctor went to see a sick German, who had a high temperature, and he told him to eat corn beef and cabbage. The next day the German was dead. The young fellow made a note, "Corn beef and cabbage will cure an Irishman of high fever, but will kill a German." That is the philosophy of the gentleman from Wyoming. The Constitution cures the difficulties of railroads and shipping, but is death for the farmer.

I was in Wyoming twice. It was my impression that there are farmers in that great State, but after hearing Mr. MONDELL's assaults upon what the Committee on Agriculture is trying to do for the farmers, I am convinced that I was mistaken, because he could not possibly have farmer constituents. I am sure now that he represents not farmers, but railroad and ship owners, as revealed by his interpretation of the Constitution against the farmer, but in favor of private corporate interests.

We had a most interesting speech here the other day. I wonder if the gentleman from Ohio [Mr. FESS] is in the building. I wish you would send for him, because I want to make some observations about his speech. Dr. FESS is a schoolmaster; so am I. But Dr. FESS has strayed away from the tenets of the faith. The ideal of the schoolmaster is to learn the truth and speak it with exactness. Dr. FESS has strayed away in political discussion. I saw a Negro in France, black and sleek, meet a Moroccan.

Our American Negro undertook to talk to the French Negro. The American Negro spoke in English, of course, and the Moroccan in French. Finally the American Negro turned away in disgust and said, "That fool has been over here so long he has forgot how to talk his own language." Dr. FESS has played cheap partisan politics in Congress for so long he has forgotten to speak the language of the schoolmaster, which puts accuracy above everything else in the world. [Applause on the Democratic side.] He makes one accurate statement in reference to this administration. He makes one statement that is accurately true, but it is astounding; it amazes you in the fact that it reveals so much. He gives five specific policies of

this Harding administration. He names four, and then the climax, the fifth one, is that the policy is to delay every new thing carrying a burden on the Treasury. Why, of course, the country knows the policy is to delay everything, but it is amazing that the gentleman from Ohio would confess it and print it in the RECORD. Delay is the policy and is so asserted by the gentleman from Ohio. In enumerating the achievements of this administration, asserting that only a billion and a half would be appropriated for the expenses of the Government and that the administration now has a balanced budget, claiming credit for the Federal reserve banking system and highway construction acts, he puts foremost in achievements the emergency tariff bill. Ah, gentlemen, it is an unfortunate claim.

The emergency tariff bill became the law on May 27, 1921. Chicago wheat No. 2 was selling on that date at \$1.57½. It went down and still down until wheat got out of the farmers' hands, and then the Republican Congress thrust \$20,000,000 into the market for buying grain for Russia in an effort to force the price back—although the grain was out of the hands of the farmer before that was done; to-day the price of the same wheat in the same market is \$1.32½—25 cents a bushel cheaper than when the tariff bill passed. That is an achievement of the administration.

Corn was selling on that day at 60 cents and is selling to-day at 57 cents. These figures are taken from Wallace's Farmer, owned by the Secretary of Agriculture, certainly the highest authority on questions of that kind. To verify that, here are some figures gotten up by the legislative reference service of the Library of Congress. The same trend of prices on wheat and corn is shown in Boston and New York as in Chicago—the same ratio of differences. The price of sugar, for example, under the emergency tariff bill declined 1.1 cents a pound, and all other farm products have met the same disaster. I could name a dozen articles, but these are sufficient to prove the principle. And the emergency tariff has not done one solitary thing to help any farmer. [Applause on the Democratic side.] While the gentleman from Ohio [Mr. Fess] makes so much noise and so much ado about it, it has not been worth one nickel to a farmer. If he could find anything in the administration worth a dime, I do not know what he would do.

But I must hurry on. He claims that this administration deserves credit for adding \$25,000,000 to the farm loan banks of the country. The record shows that the Democrats in this Chamber undertook to make it \$50,000,000. Mr. Wingo made the motion, and the gentleman from Wyoming [Mr. MONDELL] made a speech against it, and the gentleman from Ohio [Mr. Fess] joined the gentleman from Wyoming on the roll call and voted against the \$50,000,000 and helped to vote it down to \$25,000,000 for the farm banks of this country.

Yet he claims that that is one of his party's achievements. He speaks of the packers' bill and the grain futures bill. I voted for those bills after listening to the hearings for months, but I decided it was the best thing to be gotten from a Republican Congress. The packers were for the packers' bill and the gamblers were for the grain futures bill. Neither bill is of any value to the farmer or grower.

Now he speaks of the work of the Commission on Agriculture, a commission made up of splendid men. They have made two reports, and they have brought out two astounding facts. Do you know what they are? The first fact is that the serious difficulty for the farmer is the high railroad rates; and that is a Republican measure, put through by a Republican Congress in the Esch-Cummins bill.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. I will.

Mr. JOHNSON of Mississippi. In my committee we have been conducting for several weeks past hearings as to paragraphs 3 and 4 of section 13 and section 15a for the purpose of reducing rates and giving to the State railway commissions the authority they had before the Esch-Cummins Act was enacted. I want to make this observation, that a banking concern in New York has sent out a letter in which it advised people to buy stock in railroads, for the reason that the administration had given assurance that there will be no change in railroad rates.

Mr. ASWELL. That is very interesting, although very discouraging from the standpoint of the farmers and the average man, but fine for big business and special privilege in control of this administration.

The gentleman from Ohio says the banking system is first class. Of course it is. It is a Democratic creature.

The only time you tried to change it was when you opposed the Democratic plan of adding \$50,000,000. The gentleman boasts that they have given \$75,000,000 for public roads. The Democratic administration never gave less than \$100,000,000 when in power.

—But here is an amazing claim that I do not understand. The gentleman from Ohio says, "Our managerial ability is first class." It must be a misprint. He must mean menagerie ability. [Laughter.] The gentleman from Ohio speaks of lower interest rates to the farmer. The rates that the farmers are paying never approached the rates you recommended the other day of 2 per cent for the benefit of big business.

Gentlemen of the committee, the gentleman from Ohio makes the astounding statement that "The symptoms of the farmer are altogether encouraging," and that "freight rates must come down." Ah, it is a most amazing and amusing situation, Mr. Chairman and gentlemen of the committee. This proposition of letting the farmer drift, letting the conditions go as they may or may not go, has reached the point where the American people individually know that they are being camouflaged and deceived, and that the party in power is trying to use them for its own promotion and continuance in power.

Let me ask you this question: Would you tax the farmers in your district to give \$32,000,000 a year to the private owners of ships and to force now the giving away of the ships owned by this Government? Why, the private owners would get them at a song, and set the tune themselves. Would you be willing to give them a bonus of 10 per cent on the imports of the country, and then permit the railroads to own the ship lines while they now get 6 per cent profit, thereby enabling them to make an average of 8 per cent on the shipping and railroads together?

Gentlemen, the proposition is unthinkable and intolerable.

You ask me, What shall we do? The gentleman from Wyoming [Mr. MONDELL], the Republican floor leader of the House, and the gentleman from Ohio [Mr. Fess], chairman of the Republican campaign committee, and all your other spellbinders constantly shout that under this Republican administration the industrial, agricultural, and economic conditions of the country are about to begin to improve, that there are signs of the dawning of a better day. Well, with the vigor, the industry, and the genius of the American people, if there can be seen no sign yet of improved conditions, three years after the war, then in Heaven's name when may we hope again to become a happy and prosperous people? Why do your leaders sit here for days whimpering in public with dim-eyed pity for the farmer, saying—I quote from the language of Dr. Fess:

His symptoms indicate a promising future, and railroad rates must come down—

On the theory, I suppose, that everything that goes up must come down, and therefore railroad rates some time, somewhere, somehow, will come down.

But here are the facts, gentlemen: The farmer does not want or need your maudlin sympathy. He wants available credit at a fair rate of interest and an accessible market, and money in return for the products of his labor. He resents your taxing him and his children to give a subsidy or bonus to the private corporations in the interest of your national campaign fund. He demands a square deal in business; the right to earn a decent and honorable living. He resents your shutting him off from the markets of the country and from the business of the world by oppressive and prohibitive railroad rates, for which a Republican Congress is wholly responsible. If you are sincere, pause a moment.

If you are sincere, why not forthwith force down railroad rates that the farmer may live? Mr. Fechner, of the Federation of Labor, and head of the machinists' union, testified before the Committee on Agriculture the other day that the unemployment situation is worse than it was six months ago. He declared that since the unemployment conference the situation, regardless of reassuring statements from the White House, is growing not better but worse. He declared that 250,000 expert machinists belonged to his union and that more than 100,000 of these expert machinists were now walking the streets seeking work to-day.

The CHAIRMAN. The gentleman from Louisiana has consumed 30 minutes.

Mr. ASWELL. I thank the Chairman.

Mr. BEGG. Will the gentleman yield for a question?

Mr. ASWELL. Yes.

Mr. BEGG. About 20 minutes ago the gentleman made the statement that my colleague, Dr. Fess, in his speech had made a great many inaccurate statements. In fact, the gentleman said my colleague misstated the truth.

Mr. ASWELL. I said he told the truth about one thing.

Mr. BEGG. I have listened for 20 minutes to the gentleman from Louisiana and I have not heard him disprove a single statement made by my colleague, Dr. Fess. Now, in the rest of his time will the gentleman disprove some of the statements that Dr. Fess made?

Mr. ASWELL. You do not have to disprove a thing that is so patent on its face that everybody knows it.

Mr. BEGG. The gentleman does not mean just to call everybody untruthful and not prove it, does he? I think the gentleman owes it to my colleague to prove wherein he misstated anything.

Mr. ASWELL. What do you want me to prove he said?

Mr. BEGG. I want you to prove that anything he said is not true. We all know it is true, and I want you to prove that it is not.

Mr. ASWELL. That depends entirely upon who "we all" are.

Mr. BEGG. That is your own challenge that you laid down, and I think you owe it to this reputable body to prove that my colleague, Dr. Fess, misstated conditions. If you can prove that, he owes it to the Congress to apologize. Otherwise we know that you do not mean what you say.

Mr. ASWELL. I do not yield to the gentleman for a speech.

Mr. BEGG. I will say that he can, against this kind of competition.

Mr. ASWELL. Everybody knows that the claims which the gentleman from Ohio [Mr. Fess] made for this administration were exaggerated and extended and expanded. He claimed that the Congress will appropriate for the 1923 expenses only \$1,500,000,000 and that this Government has a balanced budget. Everybody knows these statements are not correct. These misstatements are amply sufficient to condemn his entire political speech. I said he told one exact truth. That was that this administration seeks to delay everything that it talks about, and I can prove that statement to be true. We were told about the ship subsidy bill of \$32,000,000, and the next day from the White House the message went out that that would be delayed until after the November election. I do not know by whose authority. All the gentleman from Ohio [Mr. Fess] said about delay shines out in brilliant truth. But allow me to proceed.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. ASWELL. I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. ASWELL. The statements of Mr. Fechner as to unemployment were corroborated by Mr. Wallace, of the Federation of Labor. It is estimated that there are altogether 4,000,000 men out of work. They could earn an average of \$5 a day—\$20,000,000 a day lost and wasted for lack of work, or \$6,000,000,000 wasted by unemployment during the first year of the Harding administration! This is the promised Harding prosperity!

What is the remedy? The remedy is definite, concrete, and clear. If this Republican administration, in complete control of all branches of the Government, would eagerly seek to help the average citizen, freight rates would be at once forced back to normal and the unemployment calamity that has befallen the country by the stupidity of reactionary leaders would be remedied in 30 days. You know well that this is true. How?

First, cease quibbling and dicker for big-business political advantage while truckling to corporate interests, for the fertilizer and the automobile trusts. Turn over Muscle Shoals at once to Henry Ford [applause] who would employ a million men in that one enterprise, to say nothing of the vast wealth he would bring to the country as by a magic hand. It would be ultimately economical for the Government to give Muscle Shoals to Henry Ford rather than to sell it or lease it to other applicants.

Then, find work for the other 3,000,000 idle men in internal improvements. Put millions of money into a sanitary system—invest money and labor to help the citizens keep well. It will pay. It is our duty to do it. Nothing that we can legislate on is more important. Then put an additional million men to work in highway construction, which is the imperative need of this hour.

As I look at the picture to-day, I see 4,000,000 of workers idle. Think of the tragedy! Nothing to do! Breeder of anarchy and bolshevism! They are asking for work, but what are you Republican leaders doing except talking and promising? On the other hand, I see public roads to be built, public buildings in each State, including hospitals for the disabled soldiers, to be erected, great sanitary systems to be constructed, light and power and other far-reaching public utilities to be developed, a million homes to be built, reclamation work to be done, our forests to be preserved, terminal facilities, and rivers and harbors to be improved—all calling for workers—when 4,000,000 workers are idle.

In the face of these plain facts the country is staggered to behold Republican leaders in control talking and jabbering and writing and wondering what to do. There is a plain thing to do. Put the workers and the works together.

The Government should do these things and do them now, because they represent the highest functions of serviceable gov-

ernment. They are the things that concern vitally the general welfare for which governments exist. This is the favorable time to act. The existing economic crisis offers opportunity and demands action.

Let the Republican majority wake up and make haste now to authorize the War Finance Corporation to invest \$3,000,000,000, not in throwing credits across the Atlantic but in stopping the loss of six billions a year in unemployment. Utilize this vast sum in stimulating internal improvements of all kinds—sanitation, reclamation, levees, highways, public buildings, public utilities, and waterways. Do this and there will be money in the country. The farmer will have a home market for his products, money for his taxes, and money upon which to operate his business. There is no excuse or defense in this country now for unemployment or for agricultural or industrial depression. The opportunity for relief is here. The remedy is clear. Will the reactionary Republicans in control stand erect and permit us to apply the remedy, or will they wobble on, contenting themselves with vain promises and claims for services not rendered? [Applause.]

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. TINCER].

Mr. TINCER. Mr. Chairman and gentlemen of the committee, I do not know just how much time it ought to take to answer the political argument that is based on the suggestion that we give Henry Ford Muscle Shoals, and he will put a million men at work on it at once. That is a little like a statement made a little while ago by a man with reference to the German mark. There was complaint made that the German mark was too cheap, and some politician advocated the raising of the price by printing more of them.

I rise for the purpose of giving the committee the benefit of facts concerning the visit of the floor leader of the House to the Agricultural Committee. He was invited to appear before the committee by the majority members of the committee for the reason that we had been holding hearings for several weeks on several important measures, and we wanted to discuss with the floor leader the program for legislation. My genial friend did not hear all of the statement of the gentleman from Wyoming. In the first place, the first bill he discussed was a regulatory bill which the lumber interests advocated, prepared by the lumber interests and introduced at their suggestion, which involved the expenditure of several millions of dollars a year to regulate them in the way that they wanted to be regulated. We had extensive hearings before the committee. The floor leader suggested to the committee that in his judgment it was no time for the American Congress to engage in that expense. I agreed with him. I do not think there will ever come a time when it will be the duty of the American Congress to engage in that expense. Most of the committee that heard the evidence except, perhaps, our friend from Louisiana, expressed the opinion that the other plan advocated in another measure before Congress was the better plan. That plan proposed to make them pay the expenses of their own regulation; that it was better than to take the money out of the Federal Treasury. The floor leader did on that occasion suggest to our committee that on all measures contemplating a large expenditure of public funds we ought to go slow and be careful. [Applause.] I claim that we should take that advice.

I suppose this speech of the gentleman from Louisiana which we just listened to was made for only one purpose. It is patent to anyone that it was made for the purpose of circulating it in the State of Wyoming in the coming election, and I predict that it is such a horrible failure that it never will be used for the purpose for which it was intended. [Applause on the Republican side.] I want to defend any man that stands for right. FRANK MONDELL was floor leader of the House during the last session, when we had a Democratic President and we could not pass agricultural legislation. He told me then as one member of the Agricultural Committee, when we could not procure this legislation, that when we had an administration in sympathy with legislation favorable to the agricultural interests we would pass these measures. Congress convened on April 11, and under his leadership, and being as much responsible for it as any other one man in Congress if not more, we passed many measures, one regulating the packers and the other regulating the grain exchanges, that had been pending in Congress for more than a quarter of a century. They were signed by the President and are now law. Also every stockman in America is a beneficiary by the amendment to the War Finance Corporation act, and I say that no man in the history of the American Congress can claim credit for more legislation friendly to the interests of the farmer than the gentleman from Wyoming [Mr. MONDELL] who has been attacked here. [Applause on the Republican side.]

You say he stood in this Congress and pleaded against the demagogic amendment making \$50,000,000 available for the farm-loan banks when only \$25,000,000 was asked for the farm-loan banks. The former chairman of the Agricultural Committee, one of the gentleman's associates [Mr. LEVER], only asked for \$25,000,000, and said it was all the money desired by the farm-loan banks and all they needed to function. Was he right? He said that with the revolving fund they could sell the bonds. Was he right? They offered \$75,000,000 in bonds for sale, and while they thought it would take weeks they sold them in two days. This Congress stands ready to appropriate \$100,000,000 if needed, but not one dime to be demagogic and try to fool somebody.

I do not know how you can condemn Mr. MONDELL for that attitude, when every one on the Democratic side of the aisle knows that Frank Lever was on the square when he asked for only \$25,000,000.

My friend says that the legislation that we have passed has not benefited the farmer. Ask the farmer. I challenge any man to say that it is not a fact that every day since the packer regulation act went into effect that every stockman on the market will tell you that conditions have improved. I challenge any man to cite me a farmer who will say that there has been a single day since the grain futures act went into effect on the 24th of December when the condition of the producers of grain in this country have not improved. Oh, I suppose my genial friend, when separated from his Chautauqua duties, will question that—and, by the way, I was reminded this morning of the first time I ever had the pleasure of meeting the gentleman. I remembered him by that whisper. The gentleman was a Member of this body. During all those years why did you not pass some of those laws? I say that this Congress will go down in history as having been the hardest-working and most effective Congress this country has ever had.

The gentleman says that conditions are bad. They are. But who made them bad? When this Congress assembled on the 11th of April, 1921, what was the economic condition of this country? Could it have been worse? Is there any way to draw a picture of a worse condition? No one representing a majority in this Congress has ever predicted to the American people that a magic wand might be waved that will save them. You get that kind of a story from speeches like the one we just listened to, where war prices are compared with peace prices, and then some political party blamed for it.

FRANK MONDELL was invited before our committee. He came before it, and while he might have gone a little further in his economy advice and advised against spending every dollar that every member of the committee wanted to spend, yet I challenge my friend to find another member of that committee, Democrat or Republican, who will question the soundness, the propriety, and the honest intention of Mr. MONDELL in being for America in his advice to the committee. [Applause on the Republican side.] He did say that there was a constitutional question with reference to price fixing in peace times, and there is. I invited the advocates of the bill to fix prices on all products to come before the committee and show us wherein under the Constitution we can enact such legislation. I wonder if my friend, in reading that part of his speech applying to Mr. MONDELL, meant to be categorized with those that favor the extensive price-fixing program which is advocated by some before our committee, and I now yield time to my friend to declare himself on the proposition of price fixing, as advocated by those measures.

Mr. ASWELL. Mr. Chairman, it is not my purpose or desire or intention to make any report to the gentleman from Kansas on this or any other subject.

Mr. TINCHER. I did not know. I thought, perhaps, because he had criticized Mr. MONDELL for wondering about the constitutionality of such proposed legislation, that he had some fixed ideas upon it. I still persist, though I may be wrong, that that speech will never be used in Wyoming for what it was intended for. [Laughter on the Republican side.]

Mr. BUCHANAN. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. BRAND].

Mr. BRAND. Mr. Chairman, before I begin to discuss the subject I wish to bring to the attention of the House I want to answer one or two statements made by the gentleman from Kansas [Mr. TINCHER] who just left the floor. He made the statement here just now that Frank Lever asked for only \$25,000,000 at the hands of this Congress because he thought that was enough to meet the demands of the farmers. That is not the reason. The reason that Mr. Lever never insisted on more than \$25,000,000 when that bill was before the Congress was because he knew very well that he could not get any more at the hands of the Banking and Currency Committee, because of orders from Mr. Mellon, the Secretary of the Treasury. I

notice the gentleman from Kansas [Mr. TINCHER] is leaving the Hall. He knows that I know more about it than he does, because I was on that committee. In addition to this I wish to answer his talk about this little appropriation being sufficient to satisfy the farmers of the country. It is all poppy-cock to make such a contention. The Senate passed an amendment to one of the appropriation bills authorizing a loan to the farmers through the Federal Farm Loan Board of \$100,000,000, and the Banking and Currency Committee of this House refused to agree to the amendment, and subsequently, when the Democrats made an effort to restore the Senate amendment to the bill, this House voted it down and let the amount stand at \$25,000,000, as agreed upon by the committee. The western Members agreed to the small amount simply for the reason that Mr. Mellon and others had arranged for a private loan with bankers in the North and East amounting to \$50,000,000 for the western farmers. Mr. Lever did not ask for any more at the hands of our committee because he knew he could not get any more, as we Democratic members from the South did not have the backing of the western members of the Banking and Currency Committee.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BRAND. Yes.

Mr. STRONG of Kansas. I want to say to my friend that when that bill was being considered before the Banking and Currency Committee Mr. Lever did state that \$25,000,000 was all they needed.

Mr. BRAND. I was there when Mr. Lever appeared before our committee.

Mr. STRONG of Kansas. Oh, I beg the gentleman's pardon. It is right out here in the Hall of the House.

Mr. BRAND. I mean in the committee.

Mr. STRONG of Kansas. Mr. Lever and Charlie Lobdell were together, and they agreed on \$25,000,000.

Mr. BRAND. Of course, Mr. Lobdell would agree to this amount, because, according to my information, though a splendid man and in sympathy with the farmers, he never has been in favor of the Federal farm loan system.

Mr. STRONG of Kansas. Frank Lever was in favor of it, was he not, and he agreed to \$25,000,000?

Mr. BRAND. He did not.

Mr. STRONG of Kansas. I say that he did agree to it in the conference which finally determined the form of the bill.

Mr. BRAND. Not in the committee room.

Mr. STEAGALL. Mr. Chairman, if the gentleman from Georgia will permit, the gentleman from Kansas is not talking about what happened before the Banking and Currency Committee in the House. He is talking about what happened in conferences between certain members of the Farm Loan Board and the steering committee of the House.

Mr. STRONG of Kansas. Oh, I beg the gentleman's pardon.

Mr. STEAGALL. The steering committee had before it at the time a bill providing for \$50,000,000 of aid. It had been reported by the committee, and the chairman of the Banking and Currency Committee had been asked to get a rule for the consideration of that measure.

Mr. BRAND. Mr. Chairman, I decline to yield further.

Mr. STRONG of Kansas. Mr. Chairman—

The CHAIRMAN. Does the gentleman yield?

Mr. BRAND. No; I do not.

The CHAIRMAN. The gentleman declines to yield.

Mr. BRAND. When I finish with the speech which I want to deliver, I will yield to the gentleman, because I am very fond of him, and I shall be glad to argue this thing out with him right here.

Mr. STRONG of Kansas. What is that?

Mr. BRAND. I say I am very fond of the gentleman from Kansas, and I will argue it out—

Mr. STRONG of Kansas. I would just like—

Mr. BRAND. Let me get through with my speech first. [Laughter.] Mr. Chairman, I ask permission to revise and extend my remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND. Mr. Chairman, I want to call the attention of Congress to a matter of the utmost importance which is in no sense political or partisan. While the Senate is investigating the eligibility of Senator SMOOR and Representative BERTON to act as members of the refunding commission, I think it advisable that they include in this investigation the qualifications and eligibility of Secretary Mellon as Secretary of the Treasury to act upon this commission. The question involved is one in which every taxpayer of the United States is interested. It

is world-wide known fact that certain European nations owe the United States about \$11,000,000,000. It is generally known also that they owe a group of international bankers about \$5,000,000,000. The taxpayers of the United States are becoming intensely interested in the collection of the debts due them. This group of international bankers are bent on having their money and are interested in collecting it whether the United States ever collects a dollar or not. Here are two classes of creditors with claims against a common debtor which is generally reputed to be bankrupt. Their interests are in conflict and are adverse. Therefore it becomes a very important matter to know whether or not Mr. Mellon is the owner of any of these obligations due these private bankers or whether any of his kinfolks within the prohibited degree are the owners of them, or whether any of the great banking and financial institutions to which he belongs are the owners of any of them or are interested in any of these debts.

These debts can not be collected by law, as everybody knows. The only way if the debtors refuse to pay them is to collect them by war. The question which I raise, and I do it in all seriousness, is Mr. Mellon disqualified to act on the Refunding Commission by reason of interest? The answer to this inquiry depends upon the question whether Mr. Mellon owns any of these obligations that are due these private bankers, or whether any of his kinfolks within the prohibited degree do, or whether any of the great banking and business institutions of which he is a director and stockholder and to which I shall call attention in a few moments, own any of them. If he owns any of these obligations, or is financially interested in their collection, he is disqualified by every rule of law known laid down by any law writer from acting on this commission.

A short time ago, and when the refunding bill was on its passage, Senator WATSON of Georgia called the Senate's attention to a statute passed in 1789 at the first session of the American Congress. I do not believe there are a half dozen men either in the House or Senate who knew such a law was in existence until Senator WATSON called the Senate's attention to it. This statute is now a part of the Revised Statutes of the United States, second edition of 1878, and I will incorporate it as part of my remarks. The substance of it is that the Secretary of the Treasury is disqualified from acting in this capacity if he is engaged in the business of trade or commerce or if he owns any State or national securities. The point made by Senator WATSON is different from the one I am making. This act reads as follows:

SEC. 243. No person appointed to the office of Secretary of the Treasury, or First Comptroller, or First Auditor, or Treasurer, or Register, shall, directly or indirectly, be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of \$3,000, and shall, upon conviction, be removed from office and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one-half the aforesaid penalty of \$3,000, when recovered, shall be for the use of the person giving such information.

The validity of this statute was brought into question, as shown by Senator WATSON, when President Grant appointed A. T. Stewart, then the king merchant of this country, to be Secretary of the Treasury. The Senate had confirmed Mr. Stewart and he had qualified before this statute was called to the attention of the President. After it was discovered it appears, Senator WATSON quoting from Mr. Blaine's "Twenty Years in Congress," that an effort was made, led by Mr. Sherman, of Ohio, to repeal so much of this act as applied to the Secretary of the Treasury. Mr. Sumner objected. The Senate failing to come to his rescue, Mr. Stewart resigned and Hon. George S. Boutwell was nominated and confirmed as Secretary of the Treasury. Senator WATSON contended under the terms of this act that Mr. Mellon, being engaged in the business of trade and commerce, is disqualified from acting as Secretary of the Treasury and that he is violating the law every day he holds this office, for which he could be arrested and convicted.

Mr. LONDON. Will the gentleman yield?

Mr. BRAND. I will yield, but I have not much time.

Mr. LONDON. For just a short question. Does not the same principle apply to a legislator, to a Member of the House or of the Senate, who legislates on matters directly affecting his personal interest?

Mr. BRAND. It does.

Mr. LONDON. But we have no prohibition, however, either in present morals or present law against it.

Mr. BRAND. Yes; we have ample law which disqualifies anybody in interest from serving in any capacity where his interests are involved.

Mr. CRISP. But if the gentleman will permit, the rules of this House expressly provide that a Member can not vote on any question in which he is personally interested.

Mr. LONDON. And that would prevent a man engaged in industry from voting for a protective tariff; that would prevent a banker from voting on any matter affecting the financial interests; that would prevent a Member from exercising the right to legislate.

Mr. BRAND. The gentleman speaks very often and well, but as my time is limited I can not yield further.

Mr. LONDON. I beg the gentleman's pardon.

Mr. BRAND. The contention of Senator WATSON is confined to the disqualification of Secretary Mellon under this act of Congress. My contention is, Mr. Mellon is disqualified to act as a member of the Refunding Commission on account of interest, if he is the owner of any of the obligations due these private bankers, or if any of the business and banking institutions in which he is a director or stockholder are the owners thereof, or if he has any kinspeople who own any of these obligations, who are related to Mr. Mellon within the prohibited degree.

This question Mr. Mellon can decide for and answer to the country himself without an investigation, if he chooses to do so. If he will not do so, then the investigation ought to be had to determine whether he is interested as I have indicated. If he is not disqualified from interest, it is easy for him to say so. If he is disqualified, he ought not to serve on this commission, because every intelligent man knows that the interest of the taxpayers of the United States and the interest of the international bankers who own these obligations against the same debtors is adverse.

Subsequently Senator WATSON again brought this matter before the Senate, at which time he inserted in the Record an article from Current Opinion, which shows Mr. Mellon's business connections in the United States. The editorial is entitled a "Rival of Rockefeller is Secretary of the Treasury." Says the author:

The record of the personal activities of Secretary Mellon includes 4 banks, of one of which he recently resigned the presidency to enter the Cabinet, 4 insurance companies, 7 educational and philanthropic institutions, and 62 other corporations. Their products—oil, aluminum, railway cars, locomotives, steel, plate glass, radiators, carborundum, bolts and rivets, motor trucks, and a hundred other things—go all over the world. The Mellon National Bank, of Pittsburgh, has resources of \$132,000,000 and deposits aggregating \$105,000,000. The concerns in which he was actively interested prior to March 4 have resources in excess of \$800,000,000.

Senator REED, in discussing the question of Mr. Mellon's business connections, identifies among these 62 corporations in which Mr. Mellon is a stockholder the following:

The Mellon National Bank, the Pittsburgh Coal Co., the Union Trust Co.

The Aluminum Co. of America; capitalization, \$20,000,000; controlling five companies with a combined capital of \$20,000,000.

The American Locomotive Co.; capital, \$50,000,000.

The American Metal Co., a holding company, \$25,000,000 capital, which controls 12 companies with combined capitalization of \$8,000,000.

The Baltimore Car & Foundry Co., \$1,500,000.

The Carborundum Co., \$2,500,000.

The Gulf Oil Corporation, \$60,000,000, which controls nine companies with a combined capitalization of \$24,000,000.

This makes a total capitalization of \$210,000,000.

Banks and trust companies, \$33,500,000. Total capitalization, \$243,500,000.

National Bank of Commerce of New York; capitalization, \$25,000,000; surplus, \$25,000,000; deposits, \$363,000,000. Mellon National Bank; capitalization, \$6,000,000; surplus, \$5,000,000; deposits, \$102,000,000. Union Savings Bank; capitalization, \$1,000,000; surplus, \$1,000,000; deposits, \$20,000,000. Union Trust Co.; capitalization, \$1,500,000; surplus, \$35,000,000; deposits, \$100,000,000.

Pennsylvania Railroad Co., of which prior to January, 1921, he was a director, with a total capital of \$440,000,000. Grand total capitalization, \$683,500,000.

I summon Mr. Mellon to the witness stand and ask him if he or any of these great moneyed institutions own or have any interest in the debts due these private bankers.

It must not be forgotten that when this question of refunding the allied debt was first raised it was contended by the administration, if not by Mr. Mellon himself, that he should be given entire control of refunding the \$11,000,000,000 due the United States by the European debtors. The Senate very properly refused consent to this, and instead of giving him full control over the matter it was provided that a commission be appointed to have jurisdiction of this question, of which the Secretary of the Treasury should be a member.

Congress should have gone further and provided that no final action could be taken by the commission without first obtaining the approval of the Congress, which Congress refused to do.

The truth is, some of these international bankers want the debts due the United States canceled, knowing, if this is done, that it will make their debts against the European nations

worth a hundred cents on the dollar. Those who do not come out squarely for cancellation of these debts are intensely interested in having the United States agree to a long-time postponement of the collection of its loans. Mr. Mellon believes in this. The minute this is done, and it is going to be done, the debts of the private bankers will increase in value and every dollar of the same will be collected before the United States collects a dollar of its principal debt. It will be remembered when this question was first raised Mr. Mellon himself wanted to have entire control of this refunding proposition. The administration wanted him to take entire control of it. If he had entire control of it he could regulate the rate of interest, when payments should be made, and how long a time they should be postponed. He wanted it all in his own hands.

In submitting this question I do not for a minute impugn the honesty and integrity of Mr. Mellon. His life and character as a private citizen and as a public man, from what I have read of him, seem to be above reproach; and yet, being moved by self-interest, as all humanity is, he can not disassociate himself from Mr. Mellon as an owner or an interested party in these private debts and Mr. Mellon as a representative of the United States Government. As such owner or interested party his interests first, last, and all the time will be to collect his debts first. This is natural. Self-interest has been from the beginning of time and will be until the end of the human family the first concern of all men. In *The Last of the Barons* a colloquy is recorded in regard to the purpose of King Edward, who was trying to increase his power abroad and to repair what he has lost in the eyes of Europe, through his marriage with Elizabeth Grey, by allying his sister Margaret with the brother of Louis XI, when one of Bulwer's characters said:

He was not overpleased with this French marriage making, and asked: "What will become of our trade with Flanders—answer me that, Master Stokton? The House of York is a good house, and the king is a good king, but trade is trade. Every man must draw water to his own mill."

Every State of the Union has enacted statutes providing for the disqualification from interest from the humblest officer in the smallest division of the State to the judge of the highest court.

There is not a court of last resort who would not hold, if Mr. Mellon is interested as indicated and the issue is properly presented, that he is disqualified.

There is not a judge on earth who would not rule that a juror who was thus interested in a case was disqualified.

There is not a judge of any important court in this Republic if thus interested in a case pending before him who would not disqualify himself.

The President would not appoint Senator SMOOT if he owned or was interested in any of these private obligations. He would not appoint Mr. BURTON if he was likewise interested.

I do not believe he would knowingly appoint Mr. Mellon as a member of this commission if he knew he owned or is interested in any of these private obligations.

There is no rule of law laid down in any law book which has ever been written which would authorize Mr. Mellon to be a qualified member of this commission if he is interested as I have indicated, with one exception, and that is the one known to the law as the "rule of necessity."

If the President could not get anyone else in the country to act who was qualified under the law, then under the "rule of necessity" the President would be authorized to appoint Mr. Mellon.

For instance, when a member of the Supreme Court of the United States has any interest in a case or any of his kinsfolk within the prohibited degree have any interest, he declines to preside. In an extreme case there might come before this court a case where all the members of the court were disqualified from interest or otherwise, in which event, there being no law to appoint a judge pro hac vice for this court, there would be no qualified court to try the case. Then under the "rule of necessity" the members of the court could preside, notwithstanding their disqualification.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LEE of Georgia. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BRAND. In the Senate a short time ago Senator BORAH, in discussing this question, said:

Mr. President, I was going to say that in a conversation a few days ago with a gentleman, perhaps well known to all Members of the Senate, a man of national reputation, whose name possibly I am not privileged to use in public discussion, a man who has just returned from a four months' stay in Europe, he said the only place he knows of where the payment of this debt is still discussed is in the United States; that in the chancelleries of Europe, among the bankers of Europe, among the business men of Europe, among the economists of

Europe, it is considered that the debt will never be paid, and that it is simply a question of postponing the settlement until, as they say, the public mind of America will accede to the wisdom of canceling the debts.

I concur in this view, because I do not believe there is a man in this House who will live to see any part of the principal of these debts paid.

If section 243 disqualifies Mr. Mellon from acting as Secretary of the Treasury—and from this conclusion there seems to be no escape, and there certainly has been no answer to this point raised by Senator WARSON—then he can not act on this commission. If this statute is to be ignored and treated as a dead letter, then, I insist in all seriousness and fairness, an investigation ought to be had to determine whether Mr. Mellon is disqualified from acting as a member of said commission from interest, because it is manifest in his case that the "rule of necessity" can not be invoked.

If anything is willfully done or left undone by those who may be charged with the collection of the loans which this country made to the European nations whereby these loans are not collected or the payment of the same is indefinitely postponed, those who are parties to this calamity will go to their graves disgraced and dishonored and with the scorn and curses of their fellow countrymen, and history will brand their memory with the mark of eternal infamy. [Applause.]

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BRAND. Yes.

Mr. STRONG of Kansas. I want to say that my friend [Mr. STEAGALL] is very much mistaken. The fact is that Mr. Lever and Mr. Lohdell never had any meeting with any member of the steering committee. We disagreed in the Committee on Banking and Currency as to how much money was necessary to deposit with farm loan banks to make them function. Mr. Lever and Mr. Lohdell, as members of the Farm Loan Board, were sent for, and they agreed in my presence that \$25,000,000 was all they needed. And we appropriated that amount and the system has functioned.

Mr. BRAND. The thing had been fixed before they ever saw you.

Mr. MONDELL. Will the gentleman yield?

Mr. BRAND. I will.

Mr. MONDELL. I would like to bear testimony in this matter. Both Mr. Lever, for whom I have a high regard—

Mr. BRAND. I have, too.

Mr. MONDELL (continuing). And Mr. Lohdell came to my office and without any persuasion on my part told me that the sum of \$25,000,000 would meet the situation and care for it and provide all that was necessary. And that their judgment was sound has been proven by the facts.

Mr. BRAND. The people of my district have been trying for nine months to get what they need and applied for from this sluggish Federal Farm Loan Board here in Washington and the bank at Columbia, S. C., in order to save themselves from bankruptcy. It is silly to claim that this system as operated has been equal to the emergency. In one county of my district there were advertised for sale last month 35 farms for State and county taxes. The bank at Columbia claims it has not had enough money to supply the demands. This bank went so far as to notify some of the loan associations not to make any more applications for loans. And yet we are told that \$25,000,000 was all the country needed. This statement is not true. We not only need more money, but we need to vitalize, if not revolutionize, the present operations and activities of the system, particularly of the bank at Columbia, so that, whatever may be the cause or whoever may be guilty of negligence, there may be an end to the inexcusable and intolerable delay in granting loans. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. ANDERSON. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. WOOD].

The CHAIRMAN. The gentleman from Indiana is recognized for 15 minutes.

Mr. WOOD of Indiana. Mr. Chairman and gentlemen of the committee, criticism, ever alive, is always more active in periods of depression. When we have not got anything else to do we busy ourselves by criticizing. Much criticism is heard now throughout the land, and some of it is not founded, certainly, upon fact.

I wish briefly to advert to the criticism that we hear that not enough has been done or is being done for the soldiers of the World War. I wish to invite the attention of the committee for a few moments to some of the facts of history in order that we may make comparisons, because it is only by comparison that we can have intelligent thought as to what has been done and is being done by the Congress of the United

States for the World War veterans, all of whom we respect and all of whom we desire to honor.

It was two years after the close of the Civil War before a single dollar was voted by the Congress for the benefit of the survivors of the Civil War. It was 25 years after the close of the Civil War before a pension in excess of \$8 per month was granted to a survivor. To-day the minimum compensation received by a soldier of the World War is equal to what the maximum was for 25 years to the soldier of the Civil War, and after 60 years the greatest amount that a soldier of the Civil War can receive is \$50, unless he establishes to the satisfaction of the Commissioner of Pensions that he is totally disabled, and then he may receive a pension of \$72 per month. On the other hand, the maximum that we are to-day paying the soldier of the World War is \$157 per month.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield right there?

Mr. WOOD of Indiana. No; I can not yield.

The Spanish-American War veterans for 20 years after the close of the Spanish-American War were allowed only \$30 per month for commissioned officers of the rank of lieutenant colonel and higher rank who were totally disabled, and \$8 per month for noncommissioned officers and privates who were totally disabled. Spanish-American War veterans are now limited to a maximum of \$30 per month and a minimum of \$12 per month, depending upon the degree of disability.

It may be interesting to call the attention of the committee to the amount of money that the American Congress since the beginning of our Government has appropriated as pensions and compensations:

Table showing total amounts paid to soldiers of the various wars in which the United States has been engaged from 1790-1917.

Revolutionary War	\$70,000,000
War of 1812	46,094,572
Indian wars	20,017,919
Mexican War	54,471,001
Civil War	5,749,030,458
War with Spain and Philippine insurrection	76,000,000

It is well also to take into consideration, when we are comparing and contrasting the amount that has been paid by the American Government to her protectors, what we have paid in comparison with what other Governments are paying, and for that purpose I have compiled the figures showing what our allies have done in this war, as follows:

Rates of pay for enlisted men.	Per month.
Great Britain	\$11.40
France	1.50
Japan	1.78
Italy	1.58
United States (if overseas, \$33 per month)	30.00

Comparative table of annual pensions of allied countries in comparison with compensation paid by United States, per annum.

TOTAL PERMANENT DISABILITY (MAN ALONE).	
Great Britain	£104
(Value in United States dollars, \$376.48.)	
Canada	\$600
(Value in United States dollars, \$540.)	
France	francs. 4,000
(Value in United States dollars, \$314.)	
Italy	lire. 1,260
(Value in United States dollars, \$55.44.)	
United States	\$1,200

N. B.—In addition to compensation benefits above referred to, the United States also pays insurance. If ex-soldier becomes permanently and totally disabled, this policy matures and he receives such payments in addition to payments of compensation.

The allowances of various countries for the benefit of families of soldiers when they were in the war were these:

Allowances by the various Governments for benefit of families of soldiers while they were absent in the military or naval service.

	Per annum.
France	\$50.14
Great Britain	202.36
Italy	11.24
United States	360.00

I now wish to invite your attention to some figures that show the operations with reference to the Veterans' Bureau and the amount of money that we have expended:

Principal operations as of Feb. 1, 1922.

INSURANCE.	
Number of claims received	172,849
Number of claims allowed	150,971
Commuted value of claims allowed	\$1,323,206,545.98
Amount paid in awards to date	\$294,621,689.83
Amount paid out in January	\$9,432,913.51
COMPENSATION.	
Claims received	775,812
Claims allowed	388,069
Claims active	204,133
Commuted value of claims allowed	\$13,158,758.32
Amount paid in awards to date	\$310,149,892.17
Amount paid in January	\$10,134,506.92

VOCATIONAL TRAINING.

1. Number of applications	508,726
2. Number entered training	138,524
3. Number now in training	104,923
4. Disbursements to date	\$226,293,259.70
5. Disbursements in January	\$15,012,960.75

HOSPITALIZATION.

1. Total number of admissions to hospitals to date	212,131
2. Number in hospitals:	
Tuberculosis	12,198
Neuropsychiatric	8,833
General and surgical	9,614

Total	30,645
3. Disbursements for medical and hospital services	\$105,655,210.91
4. Disbursements monthly	\$6,500,000.00

Summary of expenditures.

Vocational training	\$226,293,259.70
Insurance	294,621,689.83
Compensation	310,149,892.17
Allowments	300,947,327.60
Allowances	282,107,540.78
Medical and hospital services	105,655,210.91
Administrative	47,561,869.53

Total 1,567,336,790.52

The assumed liability of the Government by reason of insurance awards amounts to \$860,154,495.65 in addition to amounts already paid.

The assumed liability of the Government by reason of the insurance awards amounts to \$860,154,495.65, in addition to these amounts to which I have called attention.

Mr. LINEBERGER. Will the gentleman yield right there for one short question?

Mr. WOOD of Indiana. Make it very brief. I have not much time.

Mr. LINEBERGER. I think it is very important, and I should like to direct the gentleman's attention to the fact that a great many of these figures which he has presented are for insurance paid out, for which the men have paid.

Mr. WOOD of Indiana. I gave those figures, and it is a very easy matter to make the computation.

Mr. LINEBERGER. The gentleman has made no observation to that effect.

Mr. WOOD of Indiana. If the gentleman will allow me to proceed, perhaps I may before I get through.

Mr. LINEBERGER. The gentleman is disinclined to yield. Mr. WOOD of Indiana. My time is very short. The United States has spent \$1,567,336,790.52 for benefits for ex-service men and women; also \$256,239,900 for the \$60 bonus given each man on his discharge from the service. Also it has assumed a definite liability as concerns insurance awards for death and disability, exclusive of premiums received from soldiers and sailors, of \$860,154,495.65.

The Government has spent and definitely obligated itself to date for ex-service men and women the sum of \$2,683,731,186.17. Or in other words we have appropriated and obligated ourselves for the benefit of the survivors of the World War and their dependents an amount equal to one-half of what we have appropriated in 60 years to the survivors of the Civil War, and there were more than half as many engaged in the Civil War as were engaged in the World War.

I also want to call attention to some comparative statements showing the annual pensions allowed by different countries.

In Great Britain the total amount allowed for permanent disability is \$376.48 per year; in Canada, \$540; in France, \$314; in Italy, \$55; and in the United States, \$1,200.

In addition to the compensation and benefits above referred to the United States also pays insurance. If the ex-soldier becomes permanently and totally disabled his policy matures and he receives that payment in addition to his other payments and compensations.

The United States has approved for vocational training 303,276 applications, and 104,923 are still in training. The minister of labor states that England under the labor ministry's scheme has approved 58,000 ex-service men for training and that 24,000 are still in training.

The United States has spent as much as both France and Great Britain combined for benefits in favor of ex-service men, despite the fact that the casualties of France and Great Britain were fifteen times greater than those of the United States. The English casualties were 1,400,000, with 9,000,000 men engaged. The French casualties were 1,800,000, with 9,500,000 men engaged. The United States casualties were 205,000, with 2,085,000 men engaged in warfare upon the other side of the sea. There were 4,000,000 men enrolled, but only 2,085,000 were at the front.

I have felt, in view of the criticism that is being made and continually made that the Congress of the United States is not doing what it should do for the survivors of the World War,

that it was only due to the committee and due to the country that these figures be presented and these comparisons made.

Never since the beginning of time has there been a republic more grateful to its defenders than the United States, and I hope the time will never come when the doors of the United States Treasury will be closed against the afflicted soldier, against the wounded soldier, and against those who are dependent upon them. I know that it is the duty and the desire of the generous-hearted American people that the utmost care be given to those who are in need by reason of the sacrifice made upon the altar of their country, but I do think it comes with bad grace for anyone, without knowing the facts, to criticize the American Congress and the American people as being niggardly in the treatment of those who served them on the battle front. [Applause.]

I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. BUCHANAN. Mr. Chairman, I yield two minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, three and seventy years ago to-day there was born in the State of Kentucky a man child who became one of the glories of his generation. One year ago to-day all that was mortal of him was entombed in his beloved adopted State of Missouri. The record of his life was fresh in the memories of all of us who are here assembled, and even his personal presence is vivid in the recollection of practically every person who sits within the sound of my voice. In view of the eminent position which he occupied in the country, and particularly in this House, and in view of the affection and esteem in which he was held by all of those who are now listening to me, I trust there may be thought to be nothing inappropriate in expressing a fond and tender recollection of our beloved friend and statesman, the Hon. Champ Clark. [Applause, the Members rising.]

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to my colleague the gentleman from Georgia [Mr. OVERSTREET].

Mr. OVERSTREET. Mr. Chairman, in the remarks I shall make I do not intend to reflect upon the members of the Farm Loan Board, because from what I know of this board as now constituted the services they have rendered in other fields of public endeavor entitle them to fair and courteous treatment at our hands. One of the distinguished gentlemen on the board is a friend of mine, and in recent years no one who has served in this House is held in higher esteem by the membership of this body than he. But the farming industry of this country is in a deplorable condition, as we all know, and I want to do something, if I can, to help relieve the financial distress among the people in my State.

The Congress in recent years has been responsive to the needs of agriculture, and in 1916, under a Democratic administration, there was passed a law known as the Federal farm loan act that established a firm basis for the development of agriculture. If this law is administered according to the intentions and purposes of the act it will prove most helpful and beneficial in meeting the financial needs of a great many of our citizens who, unless they get relief from this agency of the Government, are desperately, and I might say hopelessly, involved. There is no need for me to tell you that the situation is serious. Reports from the daily press would seem to indicate that business in certain lines is on the upgrade, but I can speak from an intimate and painful knowledge of conditions as they exist in my part of the country, and I declare to you that they are distressing beyond exaggeration. Pick up almost any newspaper published in Georgia and you will see farms upon farms advertised by the sheriff to sell at public auction for the payment of State and county taxes, and this has been going on for months and months. These people have land, live stock, farming implements, and almost anything else but the ready cash, and they can not get that. Some may ask, "Why do they not go to the banks and private money lenders and borrow from them?" The reply is the banks have no money, and what money the private lender had was loaned out long ago, and he can not get it back. That is, the situation in Georgia, and my information is that practically the same conditions exist in other Southern and Western States. Upon investigation, I have ascertained that there have been 87 State bank failures, or suspensions, in Georgia since October, 1920, and they are still closing their doors. I am actually ashamed to say how many such failures have occurred in my own district during this dreadful period of depression. And not only banks have failed, but cotton factors, merchants, farmers, machinists, individuals, and so forth, and the bankruptcy courts are doing more business than they have ever done.

We think that the rapid deflation of our national currency was largely caused by the action of the Federal Reserve Board, and

this brought about a great shrinkage in the value of all farm products; therefore we feel that we are justified in coming to another agency of the Government, the Farm Loan Board, for assistance.

The Federal farm loan act is an act "to provide for agricultural development." It says:

No loan shall be made to any person who is not at the time engaged in the cultivation of the farm or shortly to become engaged in the cultivation of the farm mortgaged.

It is clearly the purpose of the act to afford assistance to all those who comply with this simple requirement. In pursuance of the provisions of this act there have been established in different parts of the United States 12 farm land banks; and I cheerfully admit that these banks have given timely assistance to a number of persons who were fortunate enough to have their application for a loan approved. But where one person secures a loan a half dozen, perhaps, are turned down. These people are not asking charity of the Federal Treasury. They are only asking fair and equitable treatment at the hands of the Government they are helping to support.

In this connection, if you will permit, I will read an utterance made by a former Secretary of the United States Treasury. He says:

The American farmer is not a pauper seeking alms. Neither is he a ward of the Government, to be treated as an irresponsible child.

Up to the time of the passage of the farm loan act the system of farming credits in operation in this country was exceedingly cumbersome. It was so cumbersome that it would not furnish the kind of service the farmer required at any price; that is, it could not furnish loans on the long-term amortization plan. Also, the entire field of farm credits was without anything more than the most primitive, and therefore futile, regulations as to rates of interest and commission charges.

After an exhaustive study of the needs of the country, and after another exhaustive study of the credit system of the European countries, Congress decided to adequately finance agriculture as a great underlying industry essential to the life of the Nation.

Congress did not contemplate any petty remedy. It did not contemplate charity for the small farmer. It did not contemplate a special privilege for the big farmer.

But Congress did contemplate establishing a practical system of rural credits by which the farmer would be enabled to secure as a right—not as a favor—adequate funds at reasonable rates.

I will quote briefly from a speech made in the Senate February 3, 1922, by Hon. DUNCAN U. FLETCHER, of Florida, who, I understand, originated the scheme or plan embodied in the act I have been discussing. On that occasion the distinguished Senator spoke as follows:

The system was intended as a system of farm finance, based upon the cooperative principle, to be controlled by the farmers, managed by them, and independent of private capital and independent of political influence.

Conclusive evidence has come to me to the effect that although the needs of the farmers of the country have never been as great as they are to-day for the use of the facilities provided by this act they have been denied the benefits which they were entitled to have and should have had if the act had been allowed its proper scope and function and operation.

A ready and plausible excuse can always be given by those selected to administer the law when they are called upon to give a reason why a certain application for a loan has been denied. To illustrate, the Farm Loan Board have been contending and still contend that sufficient funds are not available to accommodate all those who applied for loans, and for that reason they separated the borrowers into three classes. First, the farmer who lives on his farm and is engaged in no other occupation except cultivating the soil; second, the farmer who lives in a town or city, but is engaged exclusively in agriculture; and, third, a person while engaged in agriculture is engaged in other business enterprises in addition to that of farming. Those in the first class have been given preference in passing upon application for loans, and I can find no objection to this arrangement. But I want these farm land banks to accommodate every farmer who can furnish the security for a loan and comply with the provisions of the law. And that is the purpose of the farm loan act. It was not intended that these banks should single out a person here and there for a loan and turn the rest down because funds are not available. In the United States there are 6,449,242 farms. Of these, 3,924,851 are operated by the owners, 68,512 by managers, and 2,455,879 by tenants. The value of these farms, as shown by the last census, is a little over \$54,000,000,000, and the value of the improvements thereon is over \$11,000,000,000, making a total value of farms, with improvements, of over \$65,000,000,000. It has been nearly six years since the farm loan act was passed and yet there has been loaned to the farmers of the whole country only \$573,666,713—a mere pittance, a drop in the bucket compared to the actual needs and the value of the security they have to offer.

Under the act the money which is loaned to farmers is obtained by the sale of farm-loan bonds, which are issued upon the authority of the Federal Farm Loan Board, who are clothed with wide discretion and broad powers in issuing them. One trouble in administering the law has been the timidity,

you might say, of the members of this board in offering these bonds to the investing public for fear they would not be readily absorbed. And the members of this board have given that as a reason why loans have not been made in greater numbers to the farmers throughout the country. Only a few days ago, I understand, this Farm Loan Board, with some degree of trepidation, had issued and put upon the market \$70,000,000 worth of bonds, and they were subscribed for in less than two days. I am trying to impress upon the Members of this House and upon the country that it is the solemn duty of this board, clothed with such broad discretion and almost unlimited powers, to exercise that discretion less grudgingly, and to have and to hold available at all times the funds necessary to supply the needs of the people this law was intended to benefit. Every day's delay puts out of business some good farmer who ought to be helped, and this is no time to procrastinate and experiment with this legislation. The law has ample safeguards to protect the Government, and I say let the Farm Loan Board sell enough bonds to take care of all the applications that ought to be approved, and in this way they will effectually administer an act of Congress that was made to serve a good purpose in a time of great need. [Applause.]

Mr. HARDY of Texas. Will the gentleman yield?

Mr. OVERSTREET. Certainly.

Mr. HARDY of Texas. Is it not true that if the bonds were issued to supply the market and the demands of all the land-owners, that would help to increase the supply of a circulating medium, and indirectly in that way also lead to an added price of commodities?

Mr. OVERSTREET. It would greatly increase the supply of a circulating medium, because they would lend the money out to the farmers and that would materially help the circulation.

Mr. HARDY of Texas. That would again inure to the benefit of those who have things to sell, to the farmer, and thereby tend to elevate the market price and thus relieve the stagnation to some extent.

Mr. OVERSTREET. I think that would furnish considerable relief. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. WASON. Mr. Chairman, I yield seven minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman and Members of the House, I have asked for a few minutes to address the House at this time on a question which I believe of great national importance to the people of our country. The newspapers of Monday, February 27, published articles relative to the action taken by the executive council of the American Federation of Labor in attacking the Volstead law and calling upon the voters of the country to support only such candidates for Congress who would pledge themselves to the modification of the prohibition enforcement law in such a way as would permit the manufacture and sale of wine and beer.

Upon this question the statement of the American Federation of Labor council is as follows:

We urge, therefore, that all citizens in every walk of life demand from their Representatives and Senators in Washington immediate relief from the restrictions contained in the Volstead Act, bearing in mind their attitude toward this issue in the coming election in order that there may be restored to the people light wines and beer.

INTERESTED IN LABOR LEGISLATION.

I have taken a great interest in the activities and efforts of the American Federation of Labor on behalf of the working people of the country, and while I have not at all times supported their views on legislation, yet I believe that my record in Congress will show that I have tried to be fair upon all legislation for the benefit of those who labor.

As one who has been a member of a labor organization for the past 20 years I can not subscribe to the action of the executive council of the American Federation of Labor in asking for the modification of the Volstead Act in order to permit the sale of wine and beer, and I believe that my attitude will be approved by a very large proportion of the men and women who are affiliated with the labor organizations of our country.

Mr. Chairman, I wish briefly to take up point by point the reasons given by the council of the American Federation of Labor in demanding the manufacture and sale of beer and wine. The council's action is based on the following claims:

1. A GENERAL DISREGARD OF THE LAW AMONG ALL CLASSES OF PEOPLE, INCLUDING THOSE WHO MADE THE LAW.

In answer to statement No. 1, I reply by saying that prohibition has not made liquor dealers lawless. They have always been lawbreakers. They started the whisky rebellion in 1794, and have been in rebellion against the Government

ever since. The statement that those who made the law have great disregard for it is not borne out when we remember that recently both Congress and State legislatures have strengthened the prohibition law. Those who opposed prohibition in and out of Congress have for the most part kept up their fight against it.

2. CREATION OF THOUSANDS OF MOONSHINERS AMONG BOTH COUNTRY AND CITY DWELLERS.

Of course, everyone knows the moonshiner was on the job before prohibition. When the first revenue laws were enacted the moonshine business threw in the order to furnish liquor without paying the tax and that the makers might make an easy living out of the liquor business. The increased value of whisky now may induce an increased number to engage in the hazardous business. If we are to repeal a law, however, because some people break it, every law on the statute books will be repealed. It must be remembered also that many of these moonshiners are criminals of other classes and transferred their efforts to this line because it proved more profitable.

3. THE CREATION OF AN ARMY OF BOOTLEGGERS.

Mr. Chairman, the bootleggers and the moonshiners are not as a rule creations from heretofore law-abiding citizens. They are former liquor dealers or criminals in some other line of activity. The reason why the bootlegger is so conspicuous is that selling liquor is a crime. When we had the licensed saloons statistics show that in many States there were more illicit dealers than in the same States after they voted for prohibition. The illicit dealer under license was not fought aggressively by the temperance people, because his suppression only meant more sale for the regular dealers. The regular dealer was afraid to oppose him because he feared the outlaw would retaliate on him. Nearly every one of the liquor dealers violated some regulative law.

4. AN AMAZING INCREASE IN THE TRAFFIC IN POISONS AND DEADLY CONCOCTIONS AND DRUGS.

Investigations show there is no evidence that there is an increase in the use of drugs due to the prohibition of liquor. Prohibition has not increased narcotic-drug consumption, is the verdict of the narcotic officials who were asked by Commissioner Haynes to investigate the subject, and in this they are corroborated by Miss Rose Rosenberg, woman district attorney of New York, who recently declared:

Since prohibition there is a great decrease in the number of women appearing in the police courts. Less of them spend their evenings in barrooms or drug joints. Even some of the hardened women are dropping from the notice of the police, and we attribute this to the difficulty in obtaining both liquor and drugs.

Dr. Doane, of the Philadelphia General Hospital, is reported to have said:

I have made a point of asking all drug patients if lack of alcohol has turned them to drugs, but have yet to find such a case. I can say positively there has been no increase in the use of drugs since prohibition.

Alcoholic drinkers have not become drug addicts—

Is the testimony of William L. Woodward of a large Portland, Ore., drug concern.

Commissioner Haynes says:

Our experience clearly indicates that those who sought alcoholic stimulants do not turn to drugs.

It has not been proven there is any connection between the dope habit and alcohol, nor has the eighteenth amendment caused an increase of addicts.

5. AN INCREASED RATE OF INSANITY, BLINDNESS, AND CRIME AMONG THE USERS OF THESE CONCOCTIONS AND DRUGS.

Of course, there is much blindness and probably some insanity caused by drinking bootleg whisky and denatured alcohol. The number of deaths from alcohol in most places has not increased in spite of the death of the unfortunate victims of wood alcohol. In New York City in 1917 deaths from alcohol were 568; in 1921, 119. These fatalities from wood alcohol are slowly teaching the people the dangerous character of liquor. With all of these deaths from wood alcohol, however, there is not one killed to-day by it to where half a dozen died through the use of liquor under the license system.

6. INCREASE IN UNEMPLOYMENT DUE TO LOSS OF EMPLOYMENT BY WORKERS IN 45 INDUSTRIES DIRECTLY OR INDIRECTLY CONNECTED WITH THE MANUFACTURE OF LIQUORS.

Mr. Chairman, a large number of these factories, breweries, and distilleries are now used for legitimate business.

At least 90 per cent of former saloon, brewery, and distillery property has been converted to legitimate uses. For example: National Capital Brewing Co., Washington, D. C., now Carry Ice Cream Co.; House of Correction, Ipswich, Mass., now a shoe factory; Coors Brewery, Golden, Colo., now making malted milk; Lone Star Brewery, San Antonio, Tex., now cotton mill; at New Orleans one brewery is now operated by Farmers' Co-

operative Rice Milling Co. (Inc.), and another brewery plant has erected a four-story chocolate products manufacturing plant and is planning to convert its brewing plant into fruit and vegetable dehydrating plant; the Manila-Anchor Brewery, Dobbs Ferry, is being run by Pacific Trading Corporation, which manufactures butter substitute; the Wahl-Henius Institute, Chicago, formerly devoted to research in connection with brewing industry, purchased by American Institute of Baking for research work; in New York City three famous old cafés have been leased by Nedick Orange Drink Co., they are Bridge Café, old Easter Hotel, and Miller's Café; Sherry's Restaurant, New York City, has become a candy shop.

Many of these places are reported as employing more men than before being converted.

7. INCREASE IN TAXES TO CITY, STATE, AND NATIONAL GOVERNMENTS AMOUNTING TO APPROXIMATELY \$1,000,000,000 A YEAR.

Oh, yes; it is true there has been some loss of revenue. The people understood this when they prohibited liquor. They reached the conclusion that it is just as bad for the Government to take money from a business which debauches the people as it would be for a parent to take money from an individual who would drunkardize or debauch a member of the family. We can not build a great Nation out of blood money. There are many compensations for the loss of the revenue; less drunkenness, less crime and misery coming from the drink craze; increased wealth, health, and happiness.

WORKERS VOTE DRY.

Mr. Chairman, it is not the working people of our country who are clamoring for the return of the liquor traffic. It is a known fact that during the last six years whenever the question has been voted upon in industrial States and the great manufacturing centers, prohibition of the liquor traffic has been sustained by increasing majorities.

Some time ago the Literary Digest desired to learn the attitude of the workmen regarding prohibition and sent out a questionnaire to labor leaders in the different States of the Union. The question asked was:

HAS PROHIBITION BEEN A BENEFIT TO THE WORKINGMAN AND HIS FAMILY?

Replies came from every State in the country, and 345 of the spokesmen of labor who replied stated unreservedly that prohibition has been a great benefit to the workingman and his family. Only 143 were of the opposite opinion.

I desire to read one or two of the answers submitted by union labor officials to the questionnaire:

STRONG FOR PROHIBITION.

One Washington union official declares that he has worked for prohibition in that State for 20 years and that his organization is unreservedly for prohibition. A Pennsylvania secretary claims that prohibition has been a great cause for clear thinking among the workers, and another Washington district organizer tells us that prohibition has developed independence in the worker.

An Illinois secretary says that he is not a "dry man," but that it is his honest conviction that "booze will ruin the best of men," and another Illinois union official from a coal-mining community gives as his interesting opinion the fact that in that vicinity they attribute the success of the coal miners' negotiations to the fact that prohibition was the rule. "It kept men's brains clear and kept a little money in their pockets while the negotiations were going on," he adds.

A Kansas official tells us that his organization believes that prohibition has been a benefit to workingmen and their families. Out in Montana, where "bad booze brings 50 cents a drink," a union secretary favors us with the following interesting news:

HOW "WETS" WORKED.

"During the prohibition fight certain officials of labor unions, at the instigation and in the pay of the 'wet' interests, campaigned the State in autos, proclaiming that they represented a certain number of union men and women who were opposed to making Montana dry.

"Other members of the same unions, in several instances, inserted advertisements in the daily papers to the effect that the campaigners were representing nothing but their own interests and the interests of the persons who were financing the propaganda work."

From Texas comes the theory that "with booze gone and reason restored" the era of unrest will soon pass, while other union secretaries in New York and Michigan give identical statements to the effect that "since prohibition is in force the workers are capable of clearer thinking and do more of it. Consequently, the labor movement is sure to advance as private stocks and 'bootleggers' decrease." A Massachusetts secretary tells us that "money which formerly bought whisky is now buying happiness for the workingman's family."

GLAD TO VOTE DRY.

"Prohibition now, henceforth, and forever!" is the slogan of a New Orleans union official, and a Florida secretary declares emphatically that prohibition has been a benefit to workingmen and their families, and thanks us for the opportunity of voting. From Iowa comes detailed reasons why the majority of the executive board of the State federation of labor favors prohibition:

"Prohibition has been a benefit to organized laboring men and women. Trade-union activities are directed principally along two lines—the securing of better wages and working conditions, and legislation that will be beneficial to labor.

"If a union is to be successful in bettering the condition under which its members work and increasing their wages, it is necessary that the membership give the organization their cooperation and support. This can be done in no better way than by attending the meetings and taking an interest in affairs. Practically all business of the union originates in the meetings. In the days when the union meeting was competing

with the saloon for attendance it was usually the rule that the saloon was more attractive to some than the union meeting. This fact alone deprived the union of a number of men who would have been active workers and whose counsel would have been beneficial. Many of the best workers we have in the trade-union movement to-day were a few years ago taking little interest in union affairs. You ask about their families. I take the position—and it is not original—that anything that is of real benefit to the workingman is of equal benefit to his family. I believe that a dollar invested in the home or for food or clothing is better for the family than the same dollar invested in liquor would be.

"Before prohibition became effective the wet and dry issue entered into nearly every political campaign in the Nation, State, county, and municipality. The result was that a great number of laboring men voted for a candidate who was wet or dry and paid little attention to his attitude on questions which were of vital interest to laboring men and women. It was a difficult matter to get laboring men to unite on a candidate who was fair with labor, as they were usually split by the injection of the wet and dry issue. We have now eliminated this question, and it will be easier to get our own membership aligned with candidates for public office who are fair when labor legislation is being considered. I believe that the future elections will show that to be a fact."

FAMILIES BETTER FED AND CLOTHED.

"We are now building homes for families and children with the money which we used to spend for whisky, and our families are better fed and clothed," asserts a California union official, and a Colorado secretary echoes this sentiment.

"God bless our prohibition leaders!" cries a Louisiana union official; "prohibition is a blessing to the workmen of America." A Maine secretary believes that prohibition "protects the weak man or boy not only from himself but from his friends; it is making new men out of derelicts every day," he adds. One secretary from Massachusetts, who is for prohibition nevertheless, protests against the "bitter hop beers sold since 1914," and another Massachusetts union official "hankers for his beer," although he admits that "prohibition is doing a lot of good." The desire for beer is echoed by many other officials in different States, although each agrees that whisky and brandy should be under the prohibition ban. One secretary in Missouri, who represents 225,000 members, tells us that the majority are in favor of prohibition, and another Missouri assistant chief of police declares that "the more the workmen see of prohibition the better they like it."

WHISKY A CURSE.

"Whisky has been a curse to the workingman," declares a New Jersey union official, and a New Hampshire secretary is glad that prohibition is being enforced, and asserts that it will "improve the morals of the workingman and raise his standard of living." Another New Jersey secretary votes for prohibition "with reservations," and believes that our digest "will lead to a better understanding of this important question, and that in handling it you will have accomplished a great work." Says this man, who tells us he represents the attitude of the majority of the 30,000 workers in his organization:

"There can be no question but that prohibition is beneficial to workmen and their families. Still its enforcement appeals to our men as an infringement on their personal liberties. It also seriously affects thousands of workers who for years have made their living in breweries, saloons, and kindred places. Some of these men may be able to adjust themselves in new employments in many instances, while others will find it next to impossible to do so. We find that our men want prohibition for their children, but not for themselves."

SALVATION OF UNION LABOR.

"Prohibition means the salvation of union labor," we are told by a business agent of the Shipping Union of California, and a Montana secretary submits the interesting fact that 6,000 workmen in his State voted themselves dry and would not care to go back to the old conditions. "Many notorious drunkards have paid up their debts and are now well dressed, happy, and contented," he adds. "The passing of the saloon is welcomed by all," agrees a New Jersey union official, and a New York secretary declares that its passing has meant to the laboring man "better health, a happier home, and more comforts for his children."

We are told by a union secretary from New Jersey that "outside the Declaration of Independence the prohibition amendment is the best thing that has happened to this glorious country." From Alabama, Illinois, Washington, and Massachusetts come statements to the effect that crime has decreased during the era of prohibition. A union official of Portland, Oreg., declares that while the organization of which he is the secretary is made up of Greeks, Italians, Turks, and Negroes, "they are unanimously for prohibition." A Montana secretary tells us that 95 per cent of the organized workers are benefited by prohibition, and a Washington secretary of an international union wishes to go on record as saying that "prohibition has been one of the greatest blessings to the workers, and that they are truly grateful for it." In conclusion, he adds, "in making this statement I speak for the great majority."

THE REAL PURPOSE.

Mr. Chairman, what is the real purpose of the agitation for light wine and beer? It is nothing more nor less than an attempt to resurrect the legalized liquor traffic, with its inevitable trail of misery, want, and crime. It would be only the opening wedge. If beer and wine are only the harmless beverages that their advocates claim, does anybody honestly think that those who crave intoxicating drink would be satisfied? Of course not. They would still insist on their whisky, their brandy, and their gin.

How could the sale and distribution of beer and wine be regulated? Is it proposed to permit the traffic in these liquors indiscriminately in public places, restaurants, hotels, and cafés, and throw the cloak of respectability about the business, thus making it an even greater temptation to young men and women than the old-time saloon? Is it proposed to permit the sale of beer and wine over the grocery-store counter and encourage the use of alcohol in the homes?

No; this Nation knows that the liquor traffic can not be regulated. Years of experience all over the country have proven

that. It always has defied the law of the land, as much or more before prohibition as since. Traffic in beer and wine would only vastly increase the opportunity for the sale and use of illicit hard liquors and bootleg whisky. The country would be far worse off from the standpoint of prohibition enforcement than it is now even if the present laws are being violated as generally as the advocates of beer and wine contend. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. STOLL].

Mr. STOLL. Mr. Chairman, the condition of the country since the close of the World War, and the slowness with which we have returned to normal conditions, have been cause for deep concern to all. While a reaction was due to follow this cataclysm that affected the world, it was confidently expected that America would be able to rapidly readjust herself. But this was an error. Unfortunately, at the close of the war and since, the Congress has been in control of the Republican Party and the policies pursued have been both ill timed and ill conceived. It has been a case of the blind leading the blind. The country has continued to grope its way in darkness through a labyrinth of business depression and general confusion, and our ship of state has been as an unmanned barque on an unknown sea. The Republican Party, true to form, set out to legislate for the special interest, unmindful of the crying needs of the masses, with the result that the country is still suffering, and as yet no relief is in sight. Great promises were made, the so-called great minds were called into conference, a great hue and cry were made to chase away the bugaboo of hard times, the Congress was called in extra session, and with great ado and pomp proceeded to do nothing.

The people are dissatisfied, millions are without employment, financial ruin is staring hundreds of thousands in the face, chaotic conditions are existing in many sections, our strong young men who answered the call in time of war and fought our battles beyond the seas are apparently forgotten and many are unable to get employment.

In the meantime the country is suffering, and it will continue to suffer until Congress turns its back on the insistent demands of the special interest and seeks to find a solution of the troubles of the great mass of the people who are murmuring under their present-day burdens.

In seeking to find the real problems that confront us and the proper solution of them we frequently go far afield in our search, and oftentimes undertake to remedy a supposed trouble of the body politic before we ascertain the truth concerning it. A country as big as ours of necessity has manifold resources, and the development of these various resources makes many problems. There are problems peculiar to different sections of the country, and they each in turn present problems, some small and some large, some local and some national.

It is the duty of the Government to promote certain commercial or business activities for the common good, and it is equally the function of the Government to regulate certain commercial or business activities for the protection of the Government. For instance, any business that grows so big that it absorbs all competition and arbitrarily undertakes through its monopoly to control trade for its own selfish ends and to the detriment of the masses of the people should properly be regulated by the Government through salutary laws. This is supposed to be a Government of the people, and as such should so function year by year as to make possible living conditions that guarantee a prosperous and happy people, and which compel all agencies that function under it to stay all operations that work an injustice on the whole people for the benefit of the few. Interference by the Government with private business is not desirable and should only be done when the public welfare demands it; but when it becomes necessary to do so to safeguard the interest of the people, then we should not hesitate to act. This Government must be kept a Government of the people.

In order to keep this a Government of the people and at the same time make possible a minimum regulation of private business it is necessary for the Government to promote certain commercial or business activities for the common good.

There is a particular business that needs attention and which has long been neglected that I desire to call to the attention of the Congress, with the hope that some efforts will be made to establish a new basis on which it can be operated. I refer to the business of farming. There are some who are always ready to decry any legislation that refers to this particular interest, on the ground that it is class legislation. This is untenable. The farming interest is so large that it touches every other industry and directly affects every individual.

I can not conceive of legislation that benefits the farming interest that can be unfair to the balance of the people of the country. Agriculture is not sectional; if the farmers are prosperous, the balance of the country will be prosperous also; and legislation which helps the condition of the farmer helps also the rest of the country, and therefore can not be properly designated as class legislation.

The census of 1920 gives some valuable information relative to our agricultural operations, and it is advisable for those whose business it is to legislate to study this most interesting compendium. In it we find that there are 6,448,343 farms in the United States. By "farms" is meant a given acreage of land which is farmed by one person directing agricultural operations by his own labor or by assistance of others. A farmer, according to the census definition, must direct the operations of his farm, and does not include owners of farming land cultivated by others under rent contracts. Of these farms 3,925,090 are operated by owners, 2,454,804 by tenants, and 68,449 by managers.

The total acreage in farms in 1920 was 955,883,715 acres, and of this 503,073,007 acres were classified as improved land. The average acreage per farm was 148.2 acres. The value per farm is fixed at \$12,084. It is interesting to note that of the total number of farms 796,535 have an average of less than 20 acres each, that there are 1,503,732 farms with an acreage between 20 and 49 acres, and that of farms with acreage of 50 to 99 acres there are 1,474,745. This means that of all the farms in the United States more than one-half of them, or to be exact 3,775,012, are small farms of less than 100 acres, and that of this number 2,300,267 are farms of less than 50 acres. In other words, more than one-third of the farmers of the United States are small farmers, and tend less than 50 acres of land. It is also worthy of note that there are 261,719 farms that are operated by females, and that of the total number of farms in the United States in 1920, 76.3 per cent were operated by native white farmers, 9 per cent by foreign-born white farmers, and 14.7 per cent by colored farmers.

Of the total farms in the United States operated in 1920 by their owners, 1,416,306, or 37.2 per cent, were mortgaged, while in 1910 census 33.2 per cent were reported as mortgaged. These figures do not include the farms operated by tenants of managers; if these were included it would probably bring the per cent of mortgaged farms up to about 50 per cent. Of the total number of farmers reporting a mortgage, only 1,193,047 gave the amount of the debt, which in the aggregate amounted to \$4,003,767,192. On this same property the value was placed at \$13,775,500,013, showing the property to be mortgaged to about one-third of its value.

These statistics show how big the farming industry is, how necessary it is to the Nation, and the general condition it is in, and it behooves the Congress to consider it the first big business of the country and to treat it accordingly. When we stop to reflect that there are nearly 6,500,000 individual farmers in the United States and there are more than 12,000,000 men who are engaged in this work; that the permanent investment of these farmers in land and equipment amounts to approximately \$80,000,000,000, and that the output of these farms is worth \$25,000,000,000 annually, can we longer dispute the right of the farmer to demand the necessary legislation to safeguard his interest?

To properly equip his farm so as to successfully produce the soil crops and raise his live stock, the farmer must annually purchase great quantities of manufactured material, and to enable his family to enjoy the comforts to which they are entitled he must purchase on the open market wares and merchandise of all kinds. This means, in the aggregate, an expenditure of many billions of dollars. For the farmer to purchase on the market as his needs require, he must be prosperous. And to be prosperous he must get a fair price plus his cost in putting his products on the market, otherwise he will have nothing with which to buy, and in the proportion that he fails to realize a profit on his produce the general business of the country suffers.

In considering the business of farming there are three primary questions that must be given consideration, namely, production, transportation, and marketing. Neither of these questions have been given the attention to which they are entitled. They are interwoven each with the other and bear on the general question so proportionately that each must be solved in order to reach the farmer's basic trouble. And until it is done we need not expect peace, happiness, and contentment to abound; when solved we may expect an era of unprecedented prosperity.

The first problem that confronts the farmer is production. He must produce intelligently and economically. In other

words, he must produce that for which there is a market; he must produce only in such quantities as the market requires; and he must produce as economically as possible.

In considering the question of production, if we give it intelligent consideration, we must take notice of irrigation and drainage, both of which are most important adjuncts of cultivation. One of the greatest expenses of farmers is the failure of his farm to produce. To prepare his soil, plant and cultivate, and then fail to make a crop is most disastrous, yet it frequently happens, and in this way heavy financial losses annually befall the farmer. There is uncertainty as to what the yield of his fields will be, as he has to depend entirely upon what the seasons will be. In certain sections there is too much moisture, and in other sections there is too little. It is, therefore, of paramount importance that the dry zones should be irrigated and the moist zones should be drained. If this is done, the farmer can plant with a reasonable assurance that he will get a fair yield. To irrigate and drain properly there must be Federal aid. Already forward steps have been taken in irrigating the arid areas of the West, but to date nothing has been done to drain the fertile lands that are now useless for cultivation because of an excess of moisture. In the South nothing has been done by the Federal Government to aid in making the swamp lands fit for agricultural purposes, while in the West the Government has been reclaiming arid lands by irrigation for two decades. In the South there are millions of acres of swamp and low lands that are now unfit for cultivation that would be the most productive of our farm lands if properly drained. In my own district there are thousands upon thousands of acres of land that do not yield revenue sufficient to pay the taxes on it, and yet this same land if drained would produce abundantly. Our rivers are as crooked as the proverbial ram's horn, and so sluggish that they fail to act as drainage basins to any appreciable extent. If these rivers were straightened and the beds lowered a few feet they each would drain great areas that are now useless swamps.

The real problem of reclaiming our swamp lands by drainage is a financial one, and the Federal Government is the only source from which adequate aid can be secured. To drain successfully large areas must be included in any given drainage basin, and this means large expenditures, so large in fact that few drainage projects in my section have been successfully financed. The average drainage district in South Carolina, in which a small creek is the drainage basin for the area to be drained, the average cost is about \$20 per acre. To drain 50,000 acres means, therefore, an expenditure of \$1,000,000. This presents a financial problem not easy to solve, and unless provision is made for Federal aid, by which the landowners can borrow the necessary money from the Government on a plan that permits amortization to extend over a period of years, these swamp lands will ever remain as they now are—a liability rather than an asset to the farmers who own them.

And in this connection I desire to call attention to the Bankhead bill, H. R. 6048. Under the provisions of this bill a great forward step would be taken in developing our natural resources, and would make possible the drainage of thousands of acres of land that are now useless, but which once drained would prove among the most fertile lands known to agriculture. To my mind it is most expedient at this time to enact such legislation. To reclaim our rich lowlands would make it possible for the farmer to produce at a reduced cost of production. He could plant with more definite ideas of what his yield would be, for with drainage his hazards would be materially lessened. Not only would the farmer be benefited but the country at large would also be benefited in the general prosperity incident thereto accruing in the savings in cost to producer and in cost to consumer.

It is rather remarkable that our Government has given so little attention to drainage, and it is as inexcusable as it is remarkable. Drainage statistics were gathered for the first time with the taking of the last census. Only 5.5 per cent of all the lands in the United States is provided with sufficient artificial drainage to benefit it for agricultural purposes. Today 40,000,000 acres of our land need drainage. And yet the question is not apparently receiving serious consideration, despite the fact that the average cost of draining in the United States is only \$6.64 per acre as against \$26.80 per acre for irrigation. The value of the crops raised on irrigated lands of the West in 1919 was \$800,000,000, or an average of \$76.41 per acre. With the climate of the South and the natural fertility of its soil as factors the drainage of its lowlands is a better agricultural proposition than is irrigation of arid lands, and it is a crime that its sectional location should have caused Federal aid to be denied all these years to the most fertile, if drained, agricultural lands in our country.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. STOLL. Yes.

Mr. ARENTZ. Would it not be well for the gentleman to mention the fact that in addition to the cost of six dollars and some odd cents for drainage, in the lands of the South, there is also a clearing charge which must be met and which is a much larger item than even the cost of drainage?

Mr. STOLL. That is true, but that is a question which will solve itself.

Mr. ARENTZ. That must follow the drainage, because without clearing the drainage would do no good.

Mr. STOLL. Oh, there is a great deal of land that needs drainage, that is already cleared—a great deal of it.

Of all businesses farming is the biggest and it is also the most important, and yet it is the most loosely run. The farmer takes more chances, does more disagreeable work, works longer hours, takes less vacation, undergoes more hardships, gets the minimum of thanks for what he does, is given more promises, is humbugged by more people, swindled more in the marts of trade, and gets less for his year's work than any other business man in the world. And there is a reason for it. Scattered here and there throughout the country he plants, cultivates, harvests, and markets his produce almost wholly independent of his fellow farmers. As a result they are unconsciously antagonistic one to the other and frequently what one does is detrimental to the interest of his neighbor. The great majority of farmers plant without any knowledge of what the market conditions are and without any idea of what will be realized in money from the sale of their produce. There is absolutely no system among them and the law of supply and demand is utterly ignored, primarily because of the farmer's isolation from his fellow farmers and his inability to obtain the necessary information on which to plan and work out successfully these economic problems.

A farmer plants for two purposes—to supply his own needs and to exchange his surplus and raw material crops on the markets for its equivalent in money. He plants with the idea of selling the bulk of his produce on the market. Our lands are fertile, our farmers hard working, and the crops raised by them are abundant, and yet the great majority of our agriculturists are needy and very few really make any money. At best the average farmer gets only a poor living for himself and family. To-day farming is not a profitable industry. That this is the case shows that there is something radically wrong.

The question of farm production is one that should receive our most serious consideration. It is not merely a question for the individual farmer, but it is one for the Nation. It is too big a proposition for the individual farmer or a group of farmers to undertake to solve. The individual producers of a given farm product can not even begin to solve the problem of production, and even one State of a belt of States that grow a certain farm product can not of itself successfully solve it. There must be a united effort of all growers of a given product along stated plans in order to effect any results. Of all businesses farming is the only one where billions of dollars worth of stuff is placed upon the market every year without any thought as to the demands of the markets. Farmers alone blindly produce, blindly throw their produce on the market, and blindly accept the buyer's price as the market value of their produce. Manufacturers of leather goods, cotton goods, woollen goods, farm implements, and so forth, manufacture according to orders received for their product or upon accurate knowledge as to what supply the market will demand. A farmer plants his crop without knowledge of what the supply on hand is and not knowing what the demand for his product will be. He just trusts to luck and plants. If the seasons are bad generally for a given belt and the yield is small, perhaps he realizes a fair price for what his farm produces. But if it is a good crop year, and usually it is, he finds that there is an overproduction and he is forced to sell for what he can get, and frequently finds out that he can not sell at all. But even when he can find a market he frequently has to sell at a price that is below the cost of production, and he gets no interest on the money he invested in his farming, no wages for the work that he did, and often finds that his capital is impaired as a result of his year's farming.

For the farmer to get what he is rightfully entitled to there must be some new rules in his economics. For a farmer to be a business success he should realize a sum that would represent a fair interest on the money he has invested in farming lands and equipment; a sum that would represent a fair wage for his daily labors, and then a sum that would represent a fair profit on the output of his farm. He is entitled to this, and when he fails to get it, his business can not be considered successful. As it is, however, the average farmer does not even get a profit on what

he sells. There are many expenses incident to planting, harvesting, and marketing a crop, or to raising and marketing live stock, or to producing whatever goes to the market from the farm, and the farmer should get a reasonable profit above what it cost him. To do this there is one eternal law of economics that must be observed, and that is the law of supply and demand. To realize a fair price there must be a healthy demand, and in proportion that the supply is greater than the demand in that same proportion will the price decrease.

To observe the law of supply and demand there must be some source that will give information and intelligent direction to the farmer. This can not be done successfully by county or State bureaus because its scope is too restricted. Therefore, if it is done, it must be done by an agency of the Federal Government. It is the duty of the Congress to establish such an agency and see that it functions properly.

The second problem of the farmer is transportation. There is little demand for a farmer's produce on his farm; he must get it to the market, and the transportation of his produce is one of the most serious of his problems. There are three methods of transportation. The first is to the local market over the county highways; the second is over the railroads; and the third is over the waterways.

The highway that connects the farmer with the local market and shipping point is very important, though in this discussion it is secondary. It is sufficient to say that the aid that the Federal Government is giving to the States in building its highways is giving a great impetus to road building, and that if the progress that has been made in the last few years continues we will soon have comparatively good roads throughout the Nation. By all means the present policy of Federal aid to the State highways should continue, and every effort made to encourage the States to build permanent roads.

Rail and water transportation is a more serious problem and one which should receive immediate attention. The policy of our Government to foster the railroads to the detriment of the waterways has proven most disastrous. I am not hostile to railroads and am not adverse to legislation to aid them in solving their transportation problems, but I am unalterably opposed to the present policy of strangling inland water transportation in order to give the railroads a monopoly. Nature has given us many rivers that could be made navigable and which would give outlets to isolated sections and make possible a general development. In many sections profitable water transportation can be acquired by canals, and on the Atlantic seaboard, from Maine to Florida, untold development is possible through the perfecting of the intracoastal waterway projects. By cutting a few short canals, notably connecting Conway, S. C., with Wilmington, N. C., and Georgetown, S. C., and Charleston, S. C., inland transportation by water would be possible from the Gulf to New England. This would mean the cheapest possible transportation, and the freight rates which are now so prohibitory would of necessity have to be reduced by the railroads.

Water transportation by means of light-draft boats would be most economical. While it would be slower than by rail, the economy of it would make it worth while. Nonperishable goods can be shipped as well by boat as by rail, and the saving that would result in this cheaper mode of transportation would revolutionize business. To continue our present policy of neglecting our waterways in order to give the railroads a monopoly of the freight of the country is suicidal. Our inland waterways should become great carriers of freight, and if sufficient appropriations were made to open these natural highways of commerce between the States and protection withheld from the railroads in discriminating rates one of the country's real problems would be solved.

One of the principal causes that brought about the bankruptcy of the farmer is the high freight rates that they have been compelled to pay the railroads. It is estimated that the farmer purchases almost 50 per cent of all products of this country, and that they furnish about 40 per cent of the transportation. With the farmer buying and selling this large per cent of the country's produce, and having to pay the confiscatory rates that are now charged on all freight shipments, there is no wonder that he has reached a condition that borders on collapse. One cheek of the farmer is slapped when he buys and the other cheek slapped when he sells, and now he has no other cheek to turn, and from now on he is proposing to fight it out with all who conspire to his undoing. The farmer is in reality the foundation of our national prosperity, and in proportion that he is depressed in the same proportion will the country be depressed. He can not prosper when the railroads are paid more for hauling his produce than he receives for producing it. As it is, he is a vassal to the railroads. The Congress should act, and the most direct way to remedy the existing wrongs of interstate transportation is by developing our inland waterways.

While the development of our inland waterways is most important and its direct bearing on interstate and intrastate commerce can not be overestimated when considered from the viewpoint of the interest of the producing and consuming masses, still, to get the relief that the country is entitled to, the railroads must be compelled to adjust their freight rates. Farmers who specialize in truck, dairy products, and so forth, must rely on the quick transportation that the railroads furnish, for perishable stuffs must of necessity get a quick market. But it is poor business to both the farmer and the railroads for the freight and express charges to be greater than the selling price of the commodity, for when the farmer pays more freight than his product is worth he will quit shipping, and in the same proportion will the business of the railroads decrease. It is therefore urgently necessary that something be done at once to lower the tariffs that the farmer has to pay on freight shipments. Once the question of transporting the produce of the farmer to market on a fair and equitable basis is solved, a great barrier that now obstructs his road to prosperity will be removed and the first forward step in reducing the high cost of living will have been taken.

For the farmer to really prosper he must not only be assisted by the Government in producing economically and in accord with the law of supply and demand and in getting his produce to market at a reasonable cost, but he also must be assisted in marketing his produce in a business way. And the only way to do this is on a cooperative marketing plan. For this to be done successfully by the farmer it is necessary for the Federal Government to assist. Loans must be made available to cooperative marketing association so as to properly finance them. Farmers' marketing associations are not incompatible with the common good, for they can be so regulated as to protect the consumer. To the farmer they are absolutely necessary if he ever expects to sell in a businesslike way the produce which his farm yields him. The farmer of to-day takes the price fixed by the purchaser of his commodity; I hope the farmer of to-morrow will be able to fix his own price on what he sells. Other business men do, why not the farmer? To do this successfully he can not act independently or without due consideration of existing market conditions. The growers of a given farm product must act together, otherwise they will be at cross purposes, and thereby fulfill the prophecy that a house divided against itself must fall. Cooperative marketing means business methods applied to selling of his produce by the farmer.

I want to recapitulate what I have tried to give expression to in these remarks—that the Congress can by legislation give help to the farmers, and, I believe, very materially, in the following particulars:

First. Assist the farmers in regulating production, so as to keep within the well-defined rules of supply and demand, by furnishing them through Federal agencies accurate information as to the supply of every known farm product at the time of planting and the probable demand at the time of harvest, with an estimate of the acreage necessary to produce a reasonable supply.

Second. Assist the farmers in reducing the cost of production by Federal aid in irrigating arid areas and draining moist lands, thereby making possible to a reasonable certainty the yield farmers may expect on acreage planted and reduce to a minimum the loss now incident to too much or too little moisture.

Third. Continued assistance to the States in building good roads, thereby aiding the farmer in getting to the local market and shipping point his produce with the least possible delay and at the smallest expense.

Fourth. Necessary legislation to provide a system of inland waterways that will make available all navigable inland waters for purposes of transportation by means of light-draft boats, and thereby reduce freight tariffs.

Fifth. Regulation of railroad freight rates so as to guarantee fair rates to the shipper.

Sixth. Necessary legislation to provide loans for financing farmers' cooperative marketing associations, thereby making it possible for the individual farmer to operate in harmony with his fellow farmers in marketing his produce on a business basis that will give him a fair profit on what his farm produces.

This outline of legislation contains nothing revolutionary and would prove, if enacted into law, salutary upon the whole country. I am firmly convinced that if legislation as I have outlined were enacted wide development of the farming industry would result. Conferences and propaganda may have their proper place and may do some good, but what the country now needs is some affirmative action. The farming interest can not longer be made secondary in the scheme of restoring this country to normal conditions, for of all our industries the farming industry stands first in its need for legislation that will rehabili-

tate it. The work done by the farmer is most unique, for he creates. The manufacturer of cotton, wool, and leather depends on the farmer for his raw material and upon mother earth for the fuel or waterpower to run his machinery with which to manufacture it. The great steel and iron industries dig from the bosom of the earth the raw material that they manufacture into the finished product. For millions of years old mother earth has been storing for the kings of industry fuels and ores that make possible these great industrial plants. But not so with the farmer. He must dig, plant, and cultivate; he must take the hazards of the seasons and risk the ravages of insects and pests; his work is that of making fertile the spots that are barren, of transforming waste lands into fields of production, of cultivating from the sprouted seed to the fruition of harvest, of creating from the soil the substance for the world's millions.

I want to see prosperity return again to America, not to one section but to all sections, not to one industry or class but to all industries and to all classes. But the needs of my people—the people of my district and of my State I know more of, and it is them that I especially would serve. They have suffered long and as no other section of our land has suffered, and long have they looked for the coming of the day when they would shake the shackles of their oppression from them and achieve their commercial freedom. The fields of the sunny South are the Nation's most fertile; her husbandmen are skilled in the art of producing from the soil, yet they are still denied the recompense that should be given honest labor.

I shall continue to look toward the dawn and hope for the sunshine of the day when the southron will stand firm and serene, unburdened by debt and undisturbed by the exigencies of the morrow, monarch of his own broad acres, glorifying his Creator in making his fields yield the fruits of its kind, and serving his country as a planter and patriot.

Mr. ANDERSON. Mr. Chairman, I yield 30 minutes to the gentleman from Minnesota [Mr. NEWTON].

Mr. NEWTON of Minnesota. Mr. Chairman, I may not be able to get through with my remarks in the allotted time, and I also have some tables that I want to insert in the Record. Therefore I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. Mr. Chairman, we have up for consideration to-day the annual appropriation bill for the Department of Agriculture, the department of the Government having to do with the most important of all of our basic industries. In view of some things that have occurred of late, and what a patient public has had to put up with for a long time, it seems to me that this is an appropriate time for presenting to the House and to the country some information with reference to another basic industry which is second only to agriculture. I refer to the coal industry.

The coal industry is basic because our economic and industrial life is absolutely dependent upon a supply of coal. Industry in this age of mechanics and machinery depends upon power to run the various agencies of production and distribution. The source of the major portion of this power is coal. The maintenance of civilization as we know depends upon maintaining industry, and the maintenance of industry depends upon coal. There is nothing that can better command the attention of Congress, therefore, than the maintenance of our coal supply. Nature has done well by the United States, for we have inside of our own territorial limits one-half of the total world's supply of coal. It is estimated to be from three to four thousand billion tons. What a great advantage that is to us commercially and from the standpoint of national defense. The coal fields of Europe and the struggle for their possession has brought nations to war. Of this supply we are consuming something like 500,000,000 to 600,000,000 tons of coal a year, divided up approximately as follows: For manufacturing purposes, 50 per cent; for railroads, 25 per cent; for domestic uses, 18 per cent; for export purposes, 7 per cent. Bituminous coal can be found in various parts of the country, but the anthracite coal is located almost exclusively in a very small district of the State of Pennsylvania. It is estimated that 90 per cent of the coal mined goes into interstate or foreign commerce. Notwithstanding that the coal industry forms the very foundation of our economic and industrial life, the Nation finds its supply again threatened. Just as industry is emerging from a period of depression it is confronted with a coal strike and its attendant ills. The wage contract between the miners and the mine operators expires on April 1 next. The operators refuse to renew the present wage scale, claiming that the wages paid

are excessive. The miners claim that they are underpaid now, and that they work only about 200 days a year instead of 300 days, as other people do. They demand a 6-hour day and a 5-day week, and to have their work better distributed over the 365 days in the year. As the operators and the miners quarrel, the public stands by practically helpless.

The public first fears that the strike will not be settled. Then it fears that it will be settled. It knows full well from past experiences that the interests of the public will be a matter of secondary consideration to both. Each group is principally interested in itself. If the strike comes and the President should follow the precedent of Roosevelt in 1903, an impartial tribunal will be established to adjust the differences between the mine operators and the workmen. But the tribunal will not have authoritative information as to the costs and profits of the owners or the yearly earnings and purchasing power of the workmen. It must depend upon information furnished by both operators and workmen, both of which are interested parties.

The miners claim that the value of anthracite coal has increased far more than wages. We know this, that in the hearings before the Senate Committee on Reconstruction it was undisputed that for the period 1914 to 1918, inclusive, the increase of labor costs at the mouth of the mine was \$1.41 per gross ton. During the same period the increase of the retail price in New York City was \$4.48 per gross ton. This is three times the labor cost increase during the same period.

There should be some governmental agency clothed with power to gather information currently and to keep it available for emergencies such as we had in 1920 and such as we are about to confront this spring. As it is, it must listen to the claims and proofs of both groups and practically confine itself to the evidence submitted by these groups who, as I have said, are primarily interested in themselves and the advancement of their own interests.

If my recollection is correct, anthracite coal in my own city of Minneapolis sold for about \$9 per ton during the period 1914-15. To-day the retail selling price is about \$18. Bituminous coal has increased in a similar proportion.

The farmer and the great user of coal, the manufacturer, have seen the prices of their products go down materially during the past two years. The farmer feels that the prices for his product have, in fact, reached the bottom. At the same time, the manufacturer and the farmer have witnessed the price of coal advance steadily year by year until at the present time it is considerably above the price charged during the war. The coal operator alone appears to be able to not only maintain war-time prices but to materially advance them.

Is this 100 per cent advance during the past six or seven years justified or is it the result of profiteering? The retailer denies any profiteering on his part, and substantiates his claim by the submission of proof. In any event, retailing is largely an intrastate transaction and is without the jurisdiction of the Federal Government.

The coal operator and the wholesale dealer blame the railroads and attribute the advance to increased freight rates. The horizontal increases in freight rates have borne heavily on commodity rates, and in my judgment the rates on coal bear an undue proportion of the advances in recent years. It is particularly true of the anthracite coal carrying railroads. The impression seems to be quite general that these rates should come down.

The lake and rail rate from the anthracite fields of Pennsylvania to Minneapolis was \$8.30 per ton last fall, and is made up as follows:

<i>Approximate cost of a ton of anthracite at Minneapolis, Sept. 1, 1921.</i>	
(Prepared sizes, net ton—2,000 pounds.)	
Freight rate to Buffalo (dumping charge included).....	\$3.50
Tax on same.....	.105
Vessel rate.....	.50
Tax on same.....	.105
Insurance.....	.605
Doorage (including unloading from boats, storing, handling, reloading, and degradation cost).....	1.88
Freight rate to Twin Cities.....	2.23
Tax on same.....	.0669
	8.3019
Price per ton at mines (\$8 per gross ton of 2,240 pounds) or per net ton of 2,000 pounds.....	7.14
Cost on cars Twin Cities.....	15.44

These figures were given me by the Director of the Geological Survey.

But while the freight rates are high and should, in my judgment, come down, the big factor in the present high prices of coal is not the retailer or the ordinary railroad company, but the coal operator and the mine owner.

In 1902, according to the figures furnished by the anthracite operators themselves, anthracite sold for \$3.75 per ton at the mouth of the mine. It remained at this figure until June, 1912, when it was raised to \$4 per ton.

The advances since then are as follows:

June, 1912	\$4.00
May, 1916	4.40
May, 1917	4.70
December, 1917	5.05
November, 1918	6.10
August, 1919	6.60
April, 1920	7.45
October, 1920	7.95

A portion of one of these advances was made to cover an alleged increased cost of mining coal due to the imposition of a tonnage tax by the State of Pennsylvania. The tax was equivalent to a tax of about 10 cents per ton. The price of the coal at the mouth of the mine was increased 25 cents per ton, which the consumer, of course, paid. The operators contested the constitutionality of the law and refused to pay the tax, and the law was eventually held unconstitutional. The consumer paid to the operator, but the operator did not pay out the tax to the State.

Is this increase of 100 per cent in the cost of anthracite coal at the mouth of the mines justified? About one year ago the Federal Trade Commission endeavored to find out. With full appreciation of the effect of these advances and the added burden upon industry and the ultimate consumer, the Federal Trade Commission sought information from the coal operators as to the cost of operation, wages paid, sales realization, and margin of profits. Some of the companies complied. This information was published in groups and districts containing a considerable number of mines. The names of the individual operators were wholly eliminated and shielded. This order was contested by the attorneys for the National Coal Association, which comprises about 60 per cent of the coal operators of the country. They contended that the production of coal did not involve a question of interstate commerce, and therefore the Federal Government was without jurisdiction. An injunction was secured, and upon the granting of this injunction the Government appealed. That appeal is still pending in the courts in the District of Columbia.

Therefore, through the efforts of the operators the Government has been prevented from acquiring information which, in the face of the threatened strike and the effort that the Government is making and will continue to make to settle it, it would be found to be very helpful.

Note that the injunction was applied for and granted upon the theory that the production of coal did not involve interstate commerce.

About the same time, the regulatory commission of the State of Indiana issued an order from certain coal companies in Indiana requiring them to file with the State authorities a statement of the cost of mining coal. The National Coal Association, or some of its members, contested this order on the ground that almost the entire output of these mines would go largely into interstate commerce, and that the order therefore constituted an interference with interstate commerce and was wholly without the jurisdiction of the State of Indiana, and that only the Federal Government had the jurisdiction to require any such information. I quote from the opinion of the trial judges in the case of Vandalia Co. against Coal Commission of Indiana:

When coal is severed from ground it becomes an article of commerce, and the owner, under the interstate commerce clause of the Federal Constitution, which recognizes no State lines, has the right, so far as any State is concerned, to contract to sell entire his output to citizens of other States.

In other words, the mining of coal is intrastate commerce when the Federal Government steps in for regulatory purposes, but it becomes interstate commerce when one of the States of the Union attempts to pass regulatory legislation. The National Coal Association and its members have, by these two proceedings, placed the public in a sort of constitutional "no man's land," where it is being shot at from both sides through the levying of increased prices for this necessity of life.

If these increased prices are justified, why the necessity for such tactics? If there is nothing to hide and conceal, there should be nothing to fear upon the part of the coal operators or its association.

However, the case against the coal operators for profiteering during the past two years does not rest upon conjecture and suspicion due to the suppression of information as to the cost of production and extent of earnings. It is proved by their own statements and dividend sheets.

It may be interesting to know that one coal operator, defending the industry before the Senate Committee on Manufacturing in the Sixty-sixth Congress, admitted that the coal profiteering in 1920 may have cost the American consumer \$200,000,000 or, even, perhaps, six hundred millions.

Both bituminous and anthracite operators and mine owners have profiteered, as the several tables I shall place in the Record will show. These tables have been prepared by the Federal Trade Commission, or prepared by others and checked by the commission from figures submitted by the coal companies, either to the commission or the various financial publications.

Table 1, which follows, gives the net income of certain large bituminous coal companies during the period of 1912-1919:

LAUCK TABLE 1.—Profits of bituminous coal companies—Net income.

	Total net income.								Average for period. ¹	
	1912	1913	1914	1915	1916	1917	1918	1919	1912-1915	1916-1919
Pocahontas Fuel Co. (Inc.)	\$424,600	\$1,077,252	\$1,027,150	\$1,161,794	\$1,655,089	\$4,354,514	\$3,016,580	\$2,659,330	\$922,699	\$2,921,378
Pittsburgh Coal Co. ²	2,625,483	2,723,268	1,371,059	1,653,574	3,143,927	14,076,852	7,167,384	3,431,459	1,944,096	6,954,901
Island Creek Coal Co. ³	677,132	723,672	823,481	690,252	1,125,367	2,185,529	1,245,090	1,184,002	728,634	1,435,039
Consolidation Coal Co. ³	2,603,358	2,459,729	2,009,733	2,555,681	4,075,556	8,511,224	5,213,920	3,207,423	2,377,125	5,252,031
Central Coal & Coke Co.	631,509	644,004	318,921	213,757	334,224	819,583	1,316,559	65,457	427,048	633,956
Jefferson & Clearfield Coal & Iron Co.	47,947	124,320	134,554	9,316	103,476	789,745	598,082	450,724	79,035	485,507
American Coal Co. of Allegheny County	102,318	146,187	120,914	162,488	187,471	513,376	243,525	190,966	132,977	283,835
Battle Creek Coal & Coke Co.	10,999	22,698	7,264	1,732	16,363	636	44,264	37,983	10,673	16,630
Carnegie Coal Co. ⁴	129,558	196,809	186,373	73,059	146,557	1,058,765	862,326	885,775	146,449	763,356
Rochester & Pittsburgh Coal & Iron Co.	217,572	377,522	148,263	27,622	43,077	1,124,530	911,148	236,488	178,924	578,811
West Kentucky Coal Co.	178,805	104,183	174,988	100,388	126,569	220,064	401,184	254,414	64,397	250,553
Total of 11 companies	6,591,673	8,294,278	6,072,724	6,574,419	10,925,150	33,654,818	21,020,032	12,604,001	6,883,273	19,576,002
Montana Coal & Iron Co.		6,735	23,372	34,441	76,359	214,614	235,482	123,155	21,516	162,403
New River Collieries Co. ⁵	9,785	47,327	64,159	195,137	350,316	555,498	649,440		79,102	518,418
Altoona Coal & Coke Co. ⁶		15,914	15,914	15,914	42,935	58,959	39,362	414,090	15,914	20,287
Jamison Coal & Coke Co. ⁶		847,776	1,316,412	1,291,571	1,538,723	3,389,715	2,017,511	1,186,707	1,151,920	2,032,164
Clinchfield Coal Corporation			215,574	147,418	74,675	2,033,349	2,129,375	426,616	181,496	1,166,094
Solvay Collieries Co.			96,407	142,374	114,922	306,463	321,368	96,635	119,391	209,872
De Bardeleben Coal Co.			78,486	76,981	55,411	92,774	136,796	133,852	77,709	104,708
Pond Creek Coal Co.			19,456	22,318	200,000	750,727	571,398	207,770	420,887	432,474
Victor-American Fuel Co.	358,464	257,107	64,000	68,188	51,430	141,022			154,940	44,796
Vernor Coal & Coke Co.				25,599	156,243	659,432	316,987	2,305	25,599	283,742
Fairmount & Cleveland Coal Co.					130,911	345,293	200,223	140,333		(⁷)
Hillman Coal & Coke Co.						911,838	654,073	831,813		(⁷)
Rocky Mountain Fuel Co.			81,528	101,857	17,163	33,482	43,114	438,852	410,165	2,170
Elk Horn Coal Corporation					639,608	1,723,198	1,250,645	64,587		(⁷)
Elkins Coal & Coke Co.				57,316	99,205	417,917	454,334		57,316	323,819
Grand total	6,959,922	9,469,137	7,881,120	8,505,133	14,324,271	45,289,099	29,994,012	15,764,832	8,737,124	24,877,899

¹ Where data is shown for less than 4 years of period, the average is based on years included.

² Before deducting Federal taxes.

³ Federal taxes shown as deducted. Unless specifically noted otherwise, taxes are presumed to have been deducted.

⁴ Deficit.

⁵ Net earnings.

⁶ Figures for 1913, 1914, 1915 are averages.

⁷ As average for 1912-1915 could not be computed, average for 1916-1919 is omitted.

Table 2 gives the yearly production of bituminous coal in tons during the period mentioned; also the yearly average net income in cents per ton:

LAUCK TABLE 2.—Net income per ton.

	Production of coal (tons).							
	1912	1913	1914	1915	1916	1917	1918	1919
Pittsburgh Coal Co.	18,363,417	24,707,204	18,295,851	19,134,436	18,709,925	18,388,739	17,157,169	13,852,515
Island Creek Coal Co.	2,039,887	1,916,100	2,207,444	2,213,616	2,280,661	1,933,805	1,891,375	1,781,413
Consolidation Coal Co.	10,347,100	11,154,987	10,710,016	11,722,384	11,107,684	9,533,543	8,053,010	7,200,333
American Coal Co., of Allegheny County.	592,378	677,838	557,687	708,155	680,543	627,961	568,446	518,731
West Kentucky Coal Co.	675,577	826,967	970,010	1,108,854	1,166,453	988,675	895,895	811,281
Montana Coal & Iron Co.	90,945	122,476	141,262	160,754	169,693	220,479	282,822	243,805
Total.	32,109,304	39,405,572	32,882,270	35,048,199	34,114,960	31,693,202	28,848,717	24,408,078
Jefferson & Clearfield Coal & Iron Co.				1,711,826	2,142,990	2,609,676	2,598,477	1,252,627
Carnegie Coal Co.		1,500,000				1,263,151		
Rochester & Pittsburgh Coal & Iron Co.	3,159,232	3,693,284		2,803,080	2,931,189	3,107,429	2,958,044	1,269,813
New River Collieries Co.	933,727	990,356	833,081	1,019,812	1,125,048	1,008,482	848,443	
Altoona Coal & Coke Co.			212,701		185,421		144,250	
Jamison Coal & Coke Co.		3,833,210				3,599,270		
Clinchfield Coal Corporation.						2,301,718	2,134,199	1,960,838
Solvay Collieries Co.				1,136,218	1,203,157	1,142,097	1,272,910	
De Bardeleben Coal Co.		145,758		279,985	283,531	264,509	265,221	295,322
Pond Creek Coal Co.		566,965	690,653	753,798	942,951	1,038,296	1,080,602	801,454
Victor American Fuel Co.	2,121,986	2,087,935	1,308,137	1,240,465	1,543,352	1,584,981		
Verner Coal & Coke Co.		297,600				447,427		
Fairmount & Cleveland Coal Co.							240,216	291,082
Hillman Coal & Coke Co.		1,079,107				1,774,388		
Rocky Mountain Fuel Co.					1,175,830		1,224,515	1,064,763
Elkins Coal & Coke Co.		644,560		750,000		565,016	568,101	
Grand total.	38,324,249	54,184,347	35,926,842	44,743,383	45,648,399	52,399,642	42,183,695	31,343,977

	Net income per ton.							
	1912	1913	1914	1915	1916	1917	1918	1919
Pittsburgh Coal Co.	11.00	11.00	7.50	8.60	16.80	76.50	41.80	24.80
Island Creek Coal Co.	33.20	37.80	37.30	31.20	49.40	113.00	65.80	66.50
Consolidation Coal Co.	24.20	22.10	18.80	21.60	36.70	89.30	64.70	44.50
American Coal Co., of Allegheny County.	17.27	21.57	21.68	22.95	27.55	81.75	42.84	36.82
West Kentucky Coal Co.	126.50	112.60	17.70	9.10	10.90	22.30	44.80	31.40
Montana Coal & Iron Co.	15.50	15.50	16.50	21.40	45.00	97.30	83.30	50.50
Total.	16.50	15.10	13.00	14.80	25.60	81.20	50.30	34.40
Jefferson & Clearfield Coal & Iron Co.				.50	4.80	30.30	23.00	36.00
Carnegie Coal Co.		13.10				83.80		
Rochester & Pittsburgh Coal & Iron Co.	6.89	10.22		1.98	1.47	36.20	30.80	18.60
New River Collieries Co.	1.00	5.10	7.70	19.10	31.10	55.10	76.50	
Altoona Coal & Coke Co.			7.50		8.60		40.90	
Jamison Coal & Coke Co.		22.10				94.20		
Clinchfield Coal Corporation.						88.30	99.80	21.80
Solvay Collieries Co.				12.50	9.60	26.80	25.30	
De Bardeleben Coal Co.				27.50	19.50	35.10	51.60	45.30
Pond Creek Coal Co.			12.80	13.00	21.20	72.30	52.90	25.90
Victor American Fuel Co.	16.90	12.30	14.90	5.50	13.30	8.90		
Verner Coal & Coke Co.						1.47		
Fairmount & Cleveland Coal Co.							83.40	48.20
Hillman Coal & Coke Co.						51.40		
Rocky Mountain Fuel Co.					1.50		1.25	13.6
Elkins Coal & Coke Co.				7.60		74.00	80.00	
Grand total.								

¹ Deficit.

² Production of Montana Coal & Iron Co. deducted for 1912 in computing total income per ton, as no income was shown.

Table 3 gives the percentage of what the companies designated earned on their capital stock during the period referred to:

LAUCK TABLE 3.—Profits of bituminous coal companies.

	Capital stock.							
	1912	1913	1914	1915	1916	1917	1918	1919
Poehontas Fuel Co. (Inc.)	\$7,251,600	\$7,320,000	\$7,155,700	\$7,148,100	\$7,097,300	\$7,097,300	\$7,092,300	\$7,092,300
Pittsburgh Coal Co.	64,000,000	64,000,000	64,000,000	64,000,000	64,000,000	68,169,200	68,169,200	68,169,200
Island Creek Coal Co.	4,487,016	4,493,974	4,502,355	4,507,313	4,507,313	1,168,671	1,168,671	1,168,671
Consolidation Coal Co.	25,000,000	25,000,000	25,000,000	25,000,000	25,024,600	35,121,304	40,205,448	40,205,448
Central Coal & Coke Co.	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Jefferson & Clearfield Coal & Iron Co.	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
American Coal Co. of Allegheny County.	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,214,950	1,214,950
Battle Creek Coal Co.	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Carnegie Coal Co.	694,880	659,850	659,850	715,000	500,000	500,000	500,000	500,000
Rochester & Pittsburgh Coal & Iron Co.	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
West Kentucky Coal Co.	500,000	500,000	500,000	500,000	500,000	2,500,000	2,500,000	2,500,000
Total of 11 companies.	118,133,466	118,173,824	118,017,905	118,070,413	117,829,213	129,756,475	134,550,569	134,550,569
Montana Coal & Iron Co.		1,955,600	1,955,600	1,955,600	1,955,600	1,955,600	1,955,600	1,955,600
New River Collieries Co.	6,503,500	6,503,500	6,503,500	6,503,500	6,503,500	6,503,500	6,503,500	6,503,500
Altoona Coal & Coke Co.		250,000	250,000	250,000	250,000	250,000	250,000	250,000
Jamison Coal & Coke Co.		6,000,000	6,000,000	6,000,000	6,000,000	5,146,000	5,146,000	5,146,000
Clinchfield Coal Corporation.		18,000,000	18,000,000	18,000,000	17,908,400	17,363,540	17,313,300	17,262,200
Solvay Collieries Co.		1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	1,650,000	1,649,800
DeBardeleben Coal Co.		600,000	600,000	600,000	600,000	600,000	600,000	600,000
Pond Creek Coal Co.		2,000,000	2,000,000	2,000,000	2,000,000	2,089,000	2,129,200	2,129,200

LAUCK TABLE 3.—Profits of bituminous coal companies—Continued.

	Capital stock.							
	1912	1913	1914	1915	1916	1917	1918	1919
Victor American Fuel Co.	\$9,400,000	\$9,400,000	\$9,400,000	\$9,400,000	\$9,400,000	\$9,400,000		
Vernor Coal & Coke Co.				200,000	200,000	200,000	\$200,000	\$200,000
Fairmount & Cleveland Coal Co.					561,800	561,800	600,000	600,000
Hillman Coal & Coke Co.						9,748,500	9,652,200	9,332,500
Rocky Mountain Fuel Co.			8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Elk Horn Coal Corporation					28,600,000	18,600,000	18,600,000	18,600,000
Elkins Coal & Coke Co.				6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Grand total.....	134,036,966	142,282,924	171,727,005	177,979,513	206,808,513	217,672,415	213,150,369	200,275,869

	Percentage earned on capital stock.							
	1912	1913	1914	1915	1916	1917	1918	1919
Pocahontas Fuel Co. (Inc.).....	5.9	14.7	14.4	16.3	23.3	61.3	42.5	37.5
Pittsburgh Coal Co.	3.2	4.3	2.1	2.6	4.9	20.6	10.5	5.0
Island Creek Coal Co.	15.1	16.1	18.3	15.3	25.0	1,295.7	738.2	702.0
Consolidation Coal Co.	10.0	9.8	8.0	10.1	16.3	24.2	13.0	8.0
Central Coal & Coke Co.	9.0	7.8	4.6	3.1	4.8	11.7	18.8	.94
Jefferson & Clearfield Coal & Iron Co.	1.6	4.1	4.5	.3	3.4	26.3	19.9	15.0
American Coal Co. of Allegheny County	6.82	9.7	8.1	10.8	12.5	34.2	20.0	15.7
Battle Creek Coal Co.	1.6	3.2	1.0	.3	2.3	.1	6.3	5.4
Carnegie Coal Co.	13.6	29.8	28.2	10.2	29.3	211.8	172.5	177.2
Rochester & Pittsburgh Coal & Iron Co.	5.44	9.4	3.7	1.7	1.08	28.1	22.8	5.9
West Kentucky Coal Co.	135.8	120.8	115.0	20.1	25.3	8.8	16.0	10.2
Total of 11 companies.....	5.6	7.0	5.1	5.6	9.3	25.9	15.6	9.4
Montana Coal & Iron Co.			1.2	1.8	3.9	11.0	12.0	6.3
New River Collieries Co.	.2	.7	1.0	3.0	5.4	8.5	10.0	
Altoona Coal & Coke Co.		6.4	6.4	6.4	11.2	23.6	15.7	15.6
Jamison Coal & Coke Co.		14.1	21.9	21.5	25.6	65.9	39.2	23.1
Clinchfield Coal Corporation			1.2	0.8	0.4	11.7	12.3	2.5
Solvay Collieries Co.			9.6	14.2	11.5	20.4	19.5	5.9
DeBardeleben Coal Co.			13.1	12.8	9.2	15.5	22.8	22.3
Pond Creek Coal Co.			11.0	11.1	10.0	35.9	26.8	9.8
Victor American Fuel Co.	3.8	2.7	1.7	.7	1.5	1.5		
Vernor Coal & Coke Co.				12.8	78.1	329.7	158.5	1.2
Fairmount & Cleveland Coal Co.					23.3	61.5	33.4	23.4
Hillman Coal & Coke Co.				8.9		9.4	7.0	
Rocky Mountain Fuel Co.			1.0	11.3	.2	.42	1.04	1.5
Elk Horn Coal Corporation					2.2	9.3	6.7	.3
Elkins Coal & Coke Co.				1.0	1.7	7.0	7.6	
Grand total.....	5.2	6.7	4.6	4.8	6.9	20.8	14.1	7.9

¹ Book value only of stock reduced.

Table 4 covers one-sixth of the bituminous operators of the country. They are scattered through several of the States. It gives comparative margins of profits during the period indicated. The average net income of this group in the year 1917 was 295 per cent over and above that of 1916. The average net income of 1918 was 185 per cent over that of 1916:

TABLE 4.—Comparative margins of coal operators, 1916, 1917, and 1918, as shown by Federal Trade Commission reports.

	1916		1917		1918		Per cent increase in margin.	
	Production.	Margin.	Production.	Margin.	Production.	Margin.	1917 over 1916	1918 over 1916
Pennsylvania:								
(1) Southwest field.....	23,121,579	.07	23,142,426	1.12	22,373,904	0.60	558.8	252.0
(2) Central field.....	9,046,567	.08	8,958,147	.92	9,007,989	.78	1,050.0	875.0
Illinois:								
(3) District No. 1.....	2,279,028	.08	2,570,975	.33	2,247,384	.42	1,000.0	1,300.0
(4) District No. 2.....	1,863,468	.20	1,687,322	.33	1,532,628	.42	65.0	110.0
(5) District No. 3.....	* 5,008,363	.23	13,344,532	.42	12,751,131	.46	82.6	110.0
(6) District No. 4.....	1,501,890	.10	2,131,068	.31	2,397,992	.40	210.0	300.0
(7) District No. 6.....	* 5,017,276	.26	11,260,174	.08	12,660,093	.45	161.5	73.1
Tennessee:								
(8) District No. 1.....	1,497,360	.01	1,335,032	.74	1,337,986	.44	7,300.0	4,300.0
(9) Blue Gem district.....	210,869	.27	195,349	.89	176,488	.62	229.6	129.6
Kentucky:								
(10) District No. 1.....	* 1,806,837	.11	3,559,963	.50	3,413,164	.68	354.5	472.7
(11) District No. 3.....	1,622,459	.19	1,404,316	1.11	1,515,623	.66	494.2	247.4
Ohio:								
(12) District No. 2.....	256,701	.17	245,944	.70	228,987	.59	311.8	247.1
(13) District No. 3.....	2,502,375	.21	2,977,561	.82	2,729,262	.55	290.5	161.9
(14) District No. 4.....	488,527	.31	665,299	1.08	590,641	.81	248.4	161.3
(15) Districts Nos. 5 and 9.....	4,968,566	.21	4,515,960	1.13	4,753,541	.86	438.1	309.5
(16) District No. 6.....	1,693,822	.30	1,740,040	1.20	1,861,784	.73	300.0	143.3
(17) District No. 7.....	359,239	.34	382,885	1.17	404,839	.97	244.1	185.3
(18) District No. 8.....	7,264,571	.30	7,396,937	1.09	8,135,297	.68	263.3	126.7
Indiana:								
(19) District No. 1.....	* 7,985,564	.23	12,901,206	.63	16,374,014	.48	173.9	108.7
(20) Brazil block district.....	182,670	.11	308,386	.80	288,646	.50	627.3	354.5
Michigan:								
(21) State.....	* 493,952	.49	1,161,826	.80	1,229,468	.58	63.3	18.4

¹ 8 months of year, May to December only.² 6 months of year, July to December only.³ 9 months of year, April to December only.⁴ 6 months of year, July to December only.

TABLE 4.—Comparative margins of coal operators, 1916, 1917, and 1918, as shown by Federal Trade Commission reports—Continued.

	1916		1917		1918		Per cent increase in margin.	
	Production.	Margin.	Production.	Margin.	Production.	Margin.	1917 over 1916	1918 over 1916
Maryland and West Virginia:								
(22) Upper Potomac, Cumberland, and Piedmont district.....	1,013,861	0.33	1,035,022	1.06	950,949	0.51	221.2	54.5
West Virginia:								
(23) Pocahontas district.....	9,016,755	.37	7,313,292	1.15	8,836,182	.89	210.8	140.5
(24) Tug River district.....	1,810,749	.23	1,659,842	1.19	1,532,616	.55	417.4	139.1
(25) New River district.....	5,642,542	.27	5,919,479	.93	6,436,599	.79	244.5	192.6
Total and weighted average.....	95,655,590	.213	117,812,983	.843	123,737,117	.605	295.8	184.0
Per cent increase over 1916.....								

¹June and July, 1917, not included for reasons shown on page 88 of report.²9 months of year, April to December only.

Now, let us take a glance at the anthracite operators. Anthracite coal is located in a tract covering about 490 square miles in Pennsylvania. Geographically nature made it a monopoly. Taking lessons from nature, a group of men have made it a business monopoly, for seven or eight corporations control 75 to 80 per cent of the anthracite output.

Table 5 shows the percentage of net income of these large anthracite companies on their capital stock. It means the percentage of net income in the war period over the prewar period. It will be observed that increases range from 9.2 per cent minimum to a maximum of 494 per cent. The general average was 89 per cent.

TABLE 5.—Profits of anthracite coal companies, 1912-1918, as shown by their published financial statements.

Name of company.	NET INCOME, BY YEARS.							Total net income for period—		Per cent increase, war period over prewar period.
	1912	1913	1914	1915	1916	1917	1918	1912-1914	1916-1918	
Railroad companies:										
Lehigh Coal & Navigation Co.....	\$2,288,256	\$2,372,511	\$2,483,579	\$2,298,340	\$2,788,348	\$3,362,400	\$2,805,089	\$7,144,346	\$8,955,837	25.4
Lehigh & Wilkes-Barre Coal Co.....	2,485,971	4,423,051	3,343,478	2,730,929	2,695,469	5,431,899	3,069,281	9,709,522	11,196,649	9.2
The Lehigh Valley Coal Co.....	1,151,317	227,603	511,446	882,329	886,872	2,431,465	3,886,189	1,890,395	7,204,526	281.1
The Delaware & Hudson Co.....	586,037	1,296,692	963,989	1,243,971	738,393	2,925,000	1,610,572	2,846,718	5,273,965	85.3
Delaware, Lackawanna & Western Coal Co..	2,111,897	1,270,020	2,355,562	1,536,916	2,899,309	4,321,268	3,626,710	5,737,479	10,847,287	89.1
Philadelphia & Reading Coal & Iron Co.....	171,576	1,139,592	715,390	60,572	2,463,790	5,436,633	4,160,162	2,026,558	12,050,585	494.6
Total.....	8,795,054	10,729,469	10,373,444	8,753,057	12,472,181	23,908,665	19,148,003	29,354,989	55,528,849	83.2
Temple Coal Co.....	733,168	902,996	1,151,515	967,667	953,959	1,691,324	(¹)			
Grand total.....	9,528,222	11,632,465	11,524,959	9,720,724	13,426,140	25,599,989	19,148,003	29,354,989	55,528,849	83.2

During this war period the Government was calling upon everyone to increase production. It was likewise true of coal. Did the production likewise increase? During the period 1912 to 1914—prewar—the total production in tons by these operators was 132,756,451, as against 148,118,826 for the 1916 to 1918 war period. The average increase in tons of war production over prewar production was 11.6 per cent, as against 89 per cent average percentage of increase of net income.

Mr. LONDON. Will the gentleman yield for a short question?

Mr. NEWTON of Minnesota. I will.

Mr. LONDON. Will the gentleman give the source of his information?

Mr. NEWTON of Minnesota. Yes. The authority for my information is the Federal Trade Commission, as they have obtained their figures from the carriers, the coal companies, or other sources.

Table 6 gives the large anthracite coal companies for the period 1912 to 1920, inclusive, and shows, so far as can be ascertained from the figures available, the capital stock, surplus, net worth, and bonded indebtedness. I call special attention to the marked increases in surplus and net worth during the period.

TABLE 6.—Capital, dividends, and percentages of profit of anthracite coal companies, 1912 to 1920.

[Figures taken from annual reports to stockholders and Moody's Manuals.]

Name of company.	Capital stock, surplus, net worth, bonded indebtedness, and capital invested.									
	1912	1913	1914	1915	1916	1917	1918	1919	1920	
Lehigh Coal & Navigation Co.:										
Capital stock.....	\$26,557,950	\$26,557,950	\$26,557,950	\$26,557,950	\$26,557,950	\$28,736,570	\$29,173,950	\$29,173,950	\$29,173,950	
Surplus ¹	1,655,466	1,884,385	2,390,090	2,769,937	3,452,091	16,338,421	16,956,359	17,421,204	18,678,452	
Net worth.....	28,213,416	28,442,335	28,948,040	29,327,887	30,010,041	45,074,991	46,130,309	46,595,154	47,852,402	
Bonded indebtedness.....	21,409,333	22,722,520	26,653,000	26,518,000	26,980,000	26,674,000	26,401,000	26,083,000	25,188,000	
Capital invested.....	49,622,749	51,164,855	55,601,040	55,845,887	56,990,041	71,748,991	72,531,309	72,678,154	73,040,402	
Lehigh & Wilkes-Barre Coal Co.:										
Capital stock.....	9,212,500	9,210,000	9,210,000	9,210,000	9,210,000	9,210,000	9,210,000	9,210,000	9,210,000	
Surplus.....	3,569,691	6,795,280	8,398,480	9,932,110	11,430,279	15,222,870	16,994,850	17,466,073	18,023,286	
Net worth.....	12,782,191	16,005,280	17,608,480	19,142,110	20,640,279	24,432,870	26,204,850	30,676,073	36,233,286	
Bonded indebtedness.....	19,687,000	16,996,000	16,996,000	14,509,000	14,496,000	7,719,000	8,186,000	8,068,000	5,564,000	
Capital invested.....	32,469,191	33,001,280	34,604,480	33,651,110	35,136,279	32,151,870	34,390,850	38,744,073	41,797,286	
The Lehigh Valley Coal Co.:										
Capital stock.....	1,965,000	1,965,000	1,965,000	1,965,000	1,965,000	9,465,000	9,465,000	9,465,000	9,465,000	
Surplus.....	3,486,637	3,714,239	4,225,686	5,108,015	5,994,886	6,238,690	8,095,230	10,600,632	2,616,832	
Net worth.....	5,451,637	5,679,239	6,190,686	7,073,015	7,959,886	15,703,690	17,560,230	20,065,632	12,081,832	
Bonded indebtedness.....	20,296,000	20,296,000	20,296,000	19,892,000	19,688,000	11,815,000	11,693,000	11,683,000	11,673,000	
Capital invested.....	25,747,637	25,975,239	26,486,686	26,965,015	27,647,886	27,518,690	29,253,230	31,748,632	23,754,832	
Lehigh Valley Coal Sales Co.:										
Capital stock.....	6,060,800	6,060,800	7,556,575	7,556,575	7,556,575	9,778,435	9,778,435	9,778,435	9,801,435	
Surplus ¹	1,569,059									
Net worth.....	7,629,859									
Bonded indebtedness.....	None.	None.	None.	None.	None.	None.	None.	None.	None.	
Capital invested.....	7,629,859									

[For footnotes see p. 3525.]

TABLE 6.—Capital, dividends, and percentages of profit of anthracite coal companies, 1912 to 1920—Continued.

Name of company.	Capital stock, surplus, net worth, bonded indebtedness, and capital invested.								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Delaware, Lackawanna & Western Coal Co.:¹									
Capital stock.....	\$6,590,700	\$6,590,700	\$6,590,700	\$6,590,700	\$6,590,700	\$6,590,700	\$6,590,700	\$6,590,700	\$11,533,725
Surplus.....	4,498,383	4,617,953	.....	2,513,478	.....	.....	.....	.....	.....
Net worth.....	11,089,083	11,208,653	.....	6,104,178	.....	.....	.....	.....	.....
Bonded indebtedness.....	None.	None.	None.	None.	None.	None.	None.	None.	None.
Capital invested.....	11,089,083	11,208,653	.....	9,104,178	.....	.....	.....	.....	.....
Philadelphia & Reading Coal & Iron Co.:									
Capital stock.....	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Surplus.....	1,459,694	2,599,287	3,314,676	3,375,249	4,655,237	11,986,307	16,146,469	19,013,206	25,685,429
Net worth.....	9,459,694	10,599,287	11,314,676	11,375,249	12,655,237	19,986,307	24,146,469	27,013,206	33,685,429
Bonded indebtedness.....	1,110,000	1,030,000	1,050,000	1,020,000	999,000	960,000	(3), 000	900,000	870,000
Capital invested.....	10,569,694	11,679,287	12,364,676	12,395,249	13,645,237	20,946,307	25,076,469	27,913,206	34,555,429
Temple Coal Co.:²									
Capital stock.....	2,500,000	2,500,000	3,000,000	3,000,000	2,200,000	2,200,000	1,000,000	1,000,000	1,000,000
Surplus.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net worth.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bonded indebtedness.....	492,000	462,000	2,320,000	2,027,000	1,794,000	1,515,000	1,382,000	891,000	555,000
Capital invested.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Includes \$11,100,151 unrealized surplus through appraisal of assets in 1917, and \$11,244,151 in 1918.² Includes \$11,244,151 unrealized surplus through appraisal of assets.³ Includes \$547,502 through revaluation in 1919 and \$1,005,004 in 1920. See note (1) on dividend sheet.⁴ No balance sheet 1913 to 1918.⁵ Capital stock only shown after 1915; increased Dec. 21, 1920; authorized \$20,000,000.⁶ No balance sheet for 1914, 1916, 1917, 1918.⁷ Temple Iron Co. in 1912 and 1913, dissolved by order of court; Temple Coal Co. incorporated June, 1914; no balance sheet; \$2,000,000 preferred stock, \$1,000,000 common stock in 1914; \$800,000 preferred retired May 1, 1918; balance preferred retired Oct. 1, 1917.

THE LEHIGH VALLEY COAL CO.

In 1905 the coal company borrowed large sums from the railroad, and in return gave its certificates of indebtedness in the amount of \$10,537,000. A part of these certificates were given in return for the stocks of some coal companies which were purchased from the railroad, and the remainder represented an exchange for some bonds of the coal company which had been held by the railroad. (Transcript of Record in Sherman Antitrust Case, v. p. 793.) It was not intended that any interest should be paid on these certificates, and up to 1912 none was paid. But in 1911 the Interstate Commerce Commission, in the case of Meeker & Co. v. Lehigh Valley Railroad, held that the interest on these certificates, amounting at 5 per cent to \$526,850, constituted in all substantial respects a rebate to the Lehigh Valley Coal Co. (I. C. C. Reports, xxi, p. 161.) As the result of this finding the coal company, in March, 1912, paid up the arrearages of interest at the rate of 4 per cent, and canceled the certificates of indebtedness, payment being made partly in cash and partly by a new issue of 4 per cent bonds,

which were given to the railroad. (Annual Report of the Lehigh Valley Coal Co., 1912, p. 7.)

Using the \$9,465,000 as capital reduces the percentage of net income from 123.7 to 25.7 for 1917 and from 197.8 to 41.1 for 1918. This will also alter the total capital stock of all companies for 1917 and 1918; also the total percentage of net income would be 31.8 and 24.9, respectively, instead of 36.6 and 28.8. However, see note 4 to this company, page 1584.

Temple Coal Co. This was originally the Temple Iron Co. in 1912, with capital stock outstanding of \$2,500,000. In June, 1914, the Temple Coal Co. was organized and took over the coal properties of Temple Iron Co. Capital stock issued \$1,000,000 common and \$2,000,000 cumulative preferred. May 1, 1916, \$800,000 preferred was retired at \$105 and accrued dividends, and October 1, 1917, balance of preferred, \$1,200,000 was retired at \$105. (Moody's 1913, p. 4684; and 1918, p. 1616.) No balance sheet given or referred to in Moody's.

Table 7 shows the net income per annum during the period 1912-1920. The very large increases will be noted:

TABLE 7.—Profits of anthracite coal companies, 1912-1920.

Name of company.	Net income, by years.								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Lehigh Coal & Navigation Co.....	\$2,288,256	\$2,372,511	\$2,483,579	\$2,298,340	\$2,788,348	\$3,362,400	\$2,805,089	\$2,874,883	\$4,045,053
Lehigh & Wilkes-Barre Coal Co.....	2,485,971	4,423,051	13,343,478	2,730,929	2,695,469	5,431,899	3,069,281	4,819,960	5,142,939
The Lehigh Valley Coal Co.....	1,151,817	227,603	511,446	882,329	1,096,988	2,431,465	3,886,189	3,307,876	4,729,802
The Delaware & Hudson Co.....	586,037	1,296,692	963,989	1,243,971	738,393	2,925,000	1,610,572	(¹)	.....
Delaware, Lackawanna & Western Coal Co.....	2,111,897	1,270,020	2,355,562	1,536,916	2,899,309	4,321,268	3,626,710	(²)	.....
Philadelphia & Reading Coal & Iron Co.....	171,576	1,139,592	715,390	60,572	2,463,790	5,436,633	4,160,162	2,866,737	6,672,222
Temple Coal Co.....	733,168	902,996	1,151,515	967,667	953,959	1,691,324	1,511,448	884,848	1,211,224

¹ Difference of \$542,978 between figures in Mr. Lauck's table, and these figures is that amount charged to "New breakers and shop," which is in the nature of investment rather than operating expense and is added back to agree with figures in Moody's. (See Cumulative Corporation News, July, 1914.)² Represents 18 months ending Dec. 31, 1917, when fiscal year changed from June 30.³ Difference of \$210,116 between Lauck's figures and the above due to addition of that amount of net income for the period July 1 to Dec. 31, 1916, omitted by Lauck. Fiscal year changed.⁴ Not reported in Poor's Railroad Manual.⁵ Not reported in Moody's.

Table 8 gives the percentage of net income to capital stock, net worth, and capital investment during the same period:

TABLE 8.

	Percentage of net income to capital stock, to net worth, and to capital investment.								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Lehigh Coal & Navigation Co.:									
Capital stock.....	8.6	8.9	9.4	8.7	10.5	11.7	9.6	9.85	13.86
Net worth.....	8.11	8.34	8.58	7.84	9.29	7.46	6.08	6.17	8.45
Capital investment.....	4.61	4.64	4.47	4.12	4.89	4.69	3.87	3.95	5.54
Lehigh & Wilkes-Barre Coal Co.:									
Capital stock.....	27.0	48.0	36.3	29.7	29.3	59.0	33.3	52.33	55.84
Net worth.....	19.45	27.64	18.99	14.27	13.06	22.23	11.71	15.71	14.19
Capital investment.....	7.66	13.40	9.66	8.11	7.67	16.89	8.92	12.44	12.30
The Lehigh Valley Coal Co.:									
Capital stock.....	58.6	11.6	26.0	44.9	55.8	26.7	41.1	34.95	49.97
Net worth.....	21.12	4.01	8.26	12.47	13.78	15.48	22.13	16.49	39.15
Capital investment.....	4.47	.88	1.93	3.27	3.97	8.84	13.28	10.42	19.91

TABLE 8.—Continued.

	Percentage of net income to capital stock, to net worth, and to capital investment.								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Delaware, Lackawanna & Western Coal Co.:									
Capital stock.....	32.0	19.3	35.7	23.3	44.0	65.6	55.0		
Net worth.....	19.04	11.34		16.88					
Capital investment.....	19.04	11.34		16.88					
Philadelphia & Reading Coal & Iron Co.:									
Capital stock.....	2.1	14.2	8.9	.8	30.8	68.0	52.0	35.8	83.4
Net worth.....	1.81	10.74	6.32	.53	19.45	27.20	17.23	10.61	19.81
Capital investment.....	1.62	9.76	5.78	.49	18.05	25.95	16.59	10.27	19.31
Temple Coal Co.: Capital stock.....	29.3	36.1	38.4	32.3	43.4	76.9	151.1	88.5	121.1

Table 9 gives the production in tons of anthracite per annum from 1912-1920. I commented a few minutes ago on bituminous and the increase of production of war period over prewar period of but 11.6 per cent. In other words, the increased profits heretofore shown and to be shown has been due not to increased production and increased tonnage sold but to practically the same tonnage at vastly greater margins of profit:

TABLE 9.—Net income in relation to tonnage.

	Production (tons).								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Lehigh Coal & Navigation Co.....	3,673,945	4,324,562	4,240,777	4,094,682	3,822,166	5,042,427	5,144,175	4,354,827	4,377,572
Lehigh & Wilkes-Barre Coal Co.....	5,180,450	5,678,373	5,207,047	4,738,745	4,903,623	6,805,034	4,388,221	4,126,303	3,816,757
The Lehigh Valley Coal Co.....	8,504,401	9,210,137	8,130,121	8,347,106	8,364,191	9,603,864	9,690,793	7,379,969	8,326,660
The Delaware & Hudson Co.....	6,438,555	7,170,553	7,400,695	8,100,767	7,186,390	8,648,824	9,059,228	8,205,495	8,089,182
Delaware, Lackawanna & West. Coal Co.	9,233,230	9,244,763	9,427,906	9,113,144	9,888,297	11,558,476	10,850,474	9,280,897	9,098,674
Philadelphia & Reading Coal & Iron Co.	10,194,690	10,748,603	8,747,643	8,063,487	10,006,683	11,517,904	11,572,061	10,067,588	10,788,261
Temple Coal Co.....	1,730,247	1,841,966	1,981,694	1,914,135	1,460,966	1,425,155	1,363,964	1,076,987	1,144,562

Table 10 gives the average yearly net income in cents per ton of coal mined during the period 1912-1920. Note the increase of the Philadelphia & Reading Coal Co. from 1.7 cents in 1912 to 61.9 cents in 1920. Furthermore, it will be observed that the Lehigh & Wilkes-Barre Coal Co. increased from 48 cents per ton to 134.7. This again illustrates that increased earnings and profits have been due to greater margins per sale rather than to increased tonnage sold.

TABLE 10.

	Net income per ton (cents)								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Lehigh Coal & Navigation Co.....	62.3	54.9	58.6	56.1	73.0	66.7	54.5	66.0	92.4
Lehigh & Wilkes-Barre Coal Co.....	48.0	77.9	64.2	57.6	55.0	78.8	69.9	116.8	134.7
The Lehigh Valley Coal Co.....	13.5	2.5	6.3	10.6	13.11	25.3	40.1	42.0	56.8
The Delaware & Hudson Co.....	9.1	18.1	13.0	15.4	10.3	33.8	17.8		
Delaware, Lackawanna & Western Coal Co.....	22.9	13.7	25.0	16.9	29.4	37.4	33.4		
Philadelphia & Reading Coal & Iron Co.	1.7	10.6	8.2	.7	24.6	47.2	33.9	28.5	61.9
Temple Coal Co.....	42.2	49.0	58.1	50.6	65.3	118.7	110.8	82.2	105.8

Table 11 is the dividend table for the period 1912 to 1920:

TABLE 11.—Profits of anthracite coal companies, 1912-1920.

Name of company.	Dividends paid.								
	1912	1913	1914	1915	1916	1917	1918	1919	1920
Lehigh Coal & Navigation Co.:									
Per cent.....	8	8	8	8	8	8	8	8	8
Amount.....	\$2,124,636	\$2,124,636	\$2,124,636	\$2,124,626	\$2,124,636	\$2,124,636	\$2,333,672	\$2,333,916	\$2,333,916
Lehigh & Wilkes-Barre Coal Co.: ¹									
Per cent.....	13	13	13	13	13	194	13	13	13
Amount.....	\$1,197,625	\$1,197,462	\$1,197,300	\$1,197,300	\$1,197,300	\$1,795,956	\$1,197,300	\$1,197,300	\$1,197,300
Lehigh Valley Coal Co.:									
Per cent.....	None.	None.	None.	None.	None.	25	214	8.5	134.3
Amount.....						\$2,397,777	\$2,029,650	\$802,474	\$12,713,601
Lehigh Valley Coal Sales Co.: ²									
Per cent.....	5	10	1.0+25	10	10	144+30	16+10	16+5	16
Amount.....	\$303,040	\$606,080	\$2,270,857	\$755,657	\$755,657	\$3,540,423	\$2,542,393	\$2,053,471	\$1,568,230
Delaware & Hudson Co.: ³									
Per cent.....	10	10+20	10+10	10+50	10+10	10+90	10+30	10	10
Amount.....	\$659,070	\$1,977,210	\$1,318,140	\$3,954,420	\$1,318,140	\$6,590,700	\$2,636,280	\$659,070	\$5,602,095
Philadelphia & Reading Coal & Iron Co.: ⁴									
Per cent.....	6	6	(9)	8	8	8		None.	None.
Amount.....	\$159,090	\$159,090	\$155,000	\$160,000	\$117,333	\$72,000			

¹ 18 months in 1917. A special cash dividend of 150 per cent was paid Mar. 5, 1921. (Poors & Moodys, 1921, p. 901.)

² Jan. 17, 1914, 25 per cent cash dividend, with permission to subscribe for 25 per cent of new stock. July 14, 1917, 30 per cent cash dividend, with permission to subscribe for 30 per cent of new stock. Ten per cent extra in 1918 paid in Second Liberty loan 4 per cent bonds. 1920 paid partly from surplus of former years. On Dec. 6, 1920, the United States Supreme Court ordered Lehigh Valley R. R. to dissolve the combination of the railroad and its principal subsidiary companies, and to redistribute stocks, bonds, and properties to make each component part in fact independent and competitive. Lehigh Valley Coal Co. was specifically named in the decree. (Poors & Moodys Manual of Industrials, 1921, p. 903.)

³ Stock owned by railroad company. No dividends paid.

⁴ Coal department Delaware & Hudson R. R. No information.

⁵ 1917, 40 per cent paid as follows: \$988,605 in British notes at par; \$1,647,675 in United States Liberty loan 4 per cent bonds at par. 1918, \$1,977,210 in 4½ per cent Liberty Loan bonds at par.

⁶ And 75 stock dividend.

⁷ All stock owned by Reading Co.

⁸ No dividends paid on common stock. 1916, \$40,000 (5 per cent) premium paid on \$800,000 preferred stock retired; 1917, \$60,000 (5 per cent) premium paid on \$1,200,000 preferred stock retired.

⁹ 6 first half, 8 last half.

It will be observed that the Lehigh Coal & Navigation Co.'s net income averaged 10.12 per cent during the period. The Lehigh & Wilkes-Barre Coal Co. was 41.20 per cent. The Lehigh Valley Coal Co. averaged 38.36 per cent. The Delaware, Lackawanna & Western Coal Co. from 1912 to 1918, inclusive, averaged 39.2 per cent. The Philadelphia & Reading Coal & Iron Co. during the period 1912 to 1920 averaged 32.9 per cent. The Temple Coal Co. during the same period averaged 69.6 per cent. The average percentage of net incomes to capital stock of the six companies as given above during the period 1912-1920 was 38.2 per cent. It will be observed that one company's net income during the year 1918 was 50 per cent more than its capital stock. Lehigh Coal & Navigation Co. averaged

8 per cent throughout the 1912-1920 period; that the Lehigh & Wilkes-Barre averaged 13 per cent throughout the same period; that the Lehigh Valley Coal Co. totaled 190 per cent in dividends during that period; that the Lehigh Valley Coal Sales Co., the selling agent of the Lehigh Valley Coal Co., totaled 177½ per cent during that period; that the Delaware, Lackawanna & Western Coal Co. totaled 375 per cent during the same period. These coal companies were controlled during this period by the anthracite railroads, and later I shall call attention to the goodly earnings and dividends of these anthracite carriers.

Table 12 gives the common stock dividends. It will be noted that the maximum was as high as 85 per cent in one instance:

TABLE 12.—Common stock dividends paid by the anthracite carriers, 1898-1920.

Year.	Reading Co.	Central of New Jersey.	Lehigh Valley.	Delaware, Lackawanna & Western.	Delaware & Hudson.	Pennsylvania.	New York, Ontario & Western.	Lehigh Coal & Navigation Co.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1898.....		4.00		7.00	5.00	5.00		4.00
1899.....		4.50		7.00	5.00	5.00		4.00
1900.....		5.00		7.00	5.00	6.00		5.50
1901.....		5.75		7.00	7.00	6.00		6.00
1902.....		(1)		7.00	7.00	6.00		15.00
1903.....		12.00		7.00	7.00	6.00		6.00
1904.....		8.00	1.00	17.00	7.00	6.00		17.00
1905.....	3.50	8.00	4.00	20.00	7.00	6.00	4.50	8.00
1906.....	4.00	8.00	4.00	20.00	7.00	6.50	2.00	8.00
1907.....	4.00	8.00	6.00	20.00	9.00	7.00	2.00	8.00
1908.....	4.00	8.00	6.00	20.00	9.00	6.00	2.00	18.00
1909.....	4.00	8.00	6.00	85.00	9.00	6.00	2.00	9.00
1910.....	5.00	12.00	6.00	20.00	9.00	6.00	2.00	33.00
1911.....	5.00	12.00	10.00	55.00	9.00	6.00	2.00	8.00
1912.....	6.00	13.00	20.00	20.00	9.00	6.00		8.00
1913.....	7.00	13.00	10.00	20.00	9.00	6.00	2.00	8.00
1914.....	8.00	13.00	10.00	20.00	9.00	6.00		8.00
1915.....	8.00	13.00	10.00	20.00	9.00	6.00		8.00
1916.....	8.00	13.00	10.00	20.00	9.00	6.00	1.00	8.00
1917.....	8.00	13.00	10.00	25.00	9.00	6.00	2.00	8.00
1918.....	8.00	13.00	10.00	20.00	9.00	6.00		8.00
1919.....		20.03	18.55	6.18	36.46	5.47	8.65	1.55
1920.....		26.28	10.27	22.29	33.30	6.44	6.72	1.25

¹ The Central of New Jersey paid regular quarterly dividends of 2 per cent in 1902, but none are shown because of a change in the date of the annual report.

² Including a 10 per cent stock allotment at par.

³ Including a 10 per cent stock allotment at par and a 15 per cent scrip dividend.

I shall now analyze some of these figures.

LEHIGH COAL & NAVIGATION CO.

a. Increased surplus from 1912 of one and one-half millions to over eighteen and one-half millions in 1920. An increase of about 1,150 per cent.

b. At same time paid dividends of 8 per cent per annum.

c. Increased average yearly net income per ton of coal mined from 62.3 cents to 92.4, or approximately 50 per cent.

d. Only increased production in 1920 over 1912 of but 20 per cent.

LEHIGH & WILKES-BARRE COAL CO.

a. Tonnage production reduced from 1920 below that of 1912 about one and one-third million tons, approximating a reduced production of about 30 per cent.

b. Increased average yearly net income per ton of coal mined from 48 cents in 1912 to 134.7 cents in 1920.

c. Increased surplus of three and one-half million in 1912 to twenty-seven millions in 1920, or nearly 900 per cent.

d. Total dividends paid during this period amounted to 305 per cent.

The stock of this coal company was owned largely and controlled by the New Jersey Central Railroad, known as an anthracite carrier. During the period of 1898-1918 this railroad paid 200 per cent in dividends. During the period 1903-1913 its net earnings on capital stock was 20.4 per cent.

LEHIGH VALLEY COAL CO.

a. Decreased its tonnage production of eight and one-half millions in 1912 to eight and one-third millions in 1920.

b. During same period increased average yearly net income per ton of coal mined from 13.5 cents to 56.8 cents.

c. Reduced bonded debt from twenty millions to eleven and one-half millions.

d. Increased net worth from five and one-half millions to twelve millions.

e. And paid dividends during period of 190 per cent.

This coal company's stock is largely owned and the company controlled by the Lehigh Valley Railroad Co., which averaged during the same period 10 per cent yearly dividends.

LEHIGH VALLEY COAL SALES CO.

This company is the selling agency for the Lehigh Valley Coal Co. In the period 1912-1920 it paid in dividends 177½ per cent, equaling approximately 20 per cent per annum throughout the period. The combined dividends of railroad company, coal company, and sales company during this period totaled 457½ per cent, constituting an average combined dividend for these allied companies of 51 per cent per annum.

DELAWARE, LACKAWANNA & WESTERN COAL CO.

a. Tonnage production in 1912 was 9,233,000 tons. Reduced in 1920 to 9,098,000 tons, or a decreased production in tons of 2½ per cent.

b. At same time increased average yearly net income per ton from 22.9 cents in 1912 to 33.4 cents in 1920, or 50 per cent.

c. Paid in dividends during period a total of 375 per cent. I understand that during the period of 1898-1918 this coal company was under the control of a railroad company by the same name. This D., L. & W. R. R. Co. during the period of 1899-1918 paid in dividends a total of 444 per cent, constituting an average dividend per annum of 22½ per cent. The total dividend of coal company and coal carrier in the period of 1912-1920 is 580 per cent or an average combined dividend of 60 per cent per annum.

PHILADELPHIA & READING COAL CO.

a. Increased tonnage production from approximately 10,200,000 tons in 1912 to 10,800,000 tons in 1920—an increase of production of 6 per cent.

b. At same time increase average yearly net income per ton of coal mined from 1.7 cents in 1912 to 61.9 cents in 1920.

c. Increased surplus from one and one-half millions in 1912 to twenty-five and one-half millions in 1920—an increase of 1,700 per cent.

d. Increased net worth from nine and one-half millions to thirty-three and one-half millions, or 360 per cent.

e. No dividend information available.

During the period 1903-1913 the Philadelphia & Reading Railroad Co., controlling this coal company, paid dividends averaging 22.7 per cent per annum. During the same period their net earnings averaged 31.65 per cent of the capital stock.

TEMPLE COAL CO.

- a. Decreased production from 1912 of 1,730,000 tons to 1,144,000 tons in 1920. Approximately 33½ per cent decrease.
- b. At same time increased average yearly net income per ton of coal mined from 42.2 cents to 105.8 cents.
- c. Increased percentage of net income on capital stock of 29.3 per cent in 1912 to 121 per cent in 1920.

While the coal companies were making these excessive profits the anthracite carriers owning or controlling the stock in the coal companies were paying good dividends or making large earnings. I have already called attention to some of them.

The Interstate Commerce Commission in its report of 1915 on anthracite rates recognizes the fact that the anthracite roads dominated anthracite coal production. I quote from the report as to ownership of stock, as follows:

Coal company.	Owner of stock of coal company.	Par value of stock owned.	Date stock was acquired by owner.
Lehigh & Wilkes-Barre Co.	Central Railroad of New Jersey.	\$8,491,150	1874-1909.
Philadelphia & Reading Coal & Iron Co.	Reading Co. ¹	8,000,000	Dec. 1, 1896
Hillside Coal & Iron Co.	Erie Railroad Co.	1,000,000	Dec. 1, 1895.
Pennsylvania Coal Co.	do.	5,000,000	March, 1901.
Lehigh Valley Coal Co.	Lehigh Valley Railroad Co.	1,965,000	1875-1908.
Coke Bros. & Co. (Inc.)	do.	2,910,150	1906.
Seranton Coal Co.	New York, Ontario & Western Railroad Co.	200,000	Feb. 2, 1899.
Elk Hill Coal & Iron Co.	do.	60,000	Mar. 1, 1899.
Susquehanna Coal Co.	Pennsylvania Railroad Co.	2,136,800	1873-1886.
Mineral Railroad & Mining Co.	do.	100,002	1877-1891.
Summit Branch Mining Co.	do.	25,000	Mar. 12, 1902.
Mineral Railroad & Mining Co.	Northern Central Railway Co.	199,998	1887-1891.
Hudson Coal Co.	Delaware & Hudson Co.	2,400,000	1901-1911.

¹ Holding company.

The carriers own the entire outstanding stock of the coal companies named above with but one exception; the Central Railroad Co. of New Jersey owns \$8,491,150 of the \$9,210,000 stock issued by the Lehigh & Wilkes-Barre Coal Co.

The claim was made before the Senate Committee on Reconstruction that the railroad rates for the carrying of anthracite coal by the anthracite carriers averaged two and one-half to three times the operating cost. The receipts from carrying coal constitute a great percentage of the gross income of these roads. The complaint is that these unreasonable and unjust rates have had their unreasonableness multiplied by the horizontal increases in commodity rates during the past four or five years. I again quote from this Interstate Commerce Commission report showing the tonnage shipped during the month of November, 1912, by the coal companies over the anthracite roads. This tonnage constitutes a very large proportion of the total tonnage.

Carrier.	Coal company.	Tons (2,240 pounds) shipped by affiliated coal company.	Ratio to total tonnage shipped by all shippers.
Central R. R. Co. of New Jersey.	Lehigh & Wilkes-Barre Coal Co.	466,634	Per cent. 52.65
Do.	Lehigh Coal & Navigation Co.	236,076	26.64
Philadelphia & Reading Ry. Co.	Philadelphia & Reading Coal & Iron Co.	1,074,443	80.04
Delaware, Lackawanna & Western R. R. Co.	Delaware, Lackawanna & Western Coal Co.	881,063	94.01
Lehigh Valley R. R. Co.	Lehigh Valley Coal Sales Co.	930,827	77.24
Delaware & Hudson Co.	Hudson Coal Co.	644,084	76.25
Pennsylvania R. R. Co.	Susquehanna Coal Co.	555,380	66.71
Northern Central Ry. Co.	Pennsylvania Coal Co.	466,000	70.82
Erie Lines.	Hillside Coal & Iron Co.	126,000	19.15
New York, Ontario & Western Ry. Co.	Seranton Coal Co.	277,508	89.58

I have several other tables pertaining to these anthracite carriers, which I shall place in the Record with brief explanations.

Table 13 gives the average yearly percentage of net income to capital stock for the period indicated:

TABLE 13.—Net income earned by anthracite carriers on their capital stock.

Year.	Reading Co.	Central of New Jersey.	Lehigh Valley.	Delaware, Lackawanna & Western.	Delaware & Hudson.	Pennsylvania.	Erie.	New York, Ontario & Western.	Lehigh Coal & Navigation Co.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1913.	7.24	26.73	14.46	32.25	16.42	8.00	4.16	2.08	8.93
1914.	7.73	20.86	11.65	24.35	9.68	7.16	.81	1.14	9.35
1915.	6.15	19.38	10.79	25.72	13.04	6.66	.57	1.05	8.65
1916.	6.75	21.77	13.00	29.93	13.68	10.80	5.90	1.69	10.49
1917.	6.75	24.69	11.80	36.40	11.75	7.50	1.05	1.68	11.71
1918 ¹ .		13.13	10.90	33.90	11.09	8.88	4.14	1.40	
1918 ² .	7.33	10.54	2.92	35.20	1.82	.47			9.50

¹ Guaranteed income account.

² Combined Federal and corporate income account.

³ Corporate income account.

Table 14 is taken from figures presented by Mr. Lauck, an economist who appeared before the Calder committee on reconstruction. These figures have not been checked by the Federal Trade Commission. They purport to give the actual investment in these anthracite coal companies with watered stock and fictitious values eliminated:

TABLE 14.—Per cent of income earned by anthracite railroads on that proportion of their capital stock which represents actual investment.

Year.	Reading Co.	Lehigh Valley.	Delaware, Lackawanna & Western.	Delaware & Hudson.	Pennsylvania.	Erie.	New York, Ontario & Western.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1913.	37.52	19.63	53.04	21.93	11.19	61.17	8.81
1914.	40.08	15.81	35.23	12.93	9.71	11.86	4.83
1915.	31.90	14.65	37.15	17.41	8.87	8.42	4.46
1916.	35.01	17.65	48.82	18.28	14.34	86.67	7.16
1917.	35.02	16.02	60.68	15.69	9.90	15.40	7.11
1918 ¹ .		14.77	48.83	14.82	11.85	60.80	5.86
1918 ² .	38.00	3.97	55.91	2.43	6.35		

¹ Guaranteed income account.

² Combined corporate and Federal income account.

³ Corporate income account.

The figures for the period 1919-20, as furnished by the Interstate Commerce Commission, are as follows:

Name of company.	Per cent of net income to capital stock.		Dividends declared on common stock.	
	1919	1920	1919	1920
Central R. R. Co. of New Jersey.....	18.55	10.27	\$3,292,416	\$2,743,680
Delaware & Hudson Co.....	5.47	6.44	3,825,234	3,825,234
Delaware, Lackawanna & Western R. R. Co.....	36.46	33.30	8,444,097	8,444,110
Erie R. R. Co.....	2.82	3.03		
Lehigh Valley R. R. Co.....	6.18	22.29	4,688,882	4,235,119
New York, Ontario & Western Ry. Co.....	1.55	1.26	581,073	581,073
Pennsylvania R. R. Co.....	8.65	6.72	29,950,704	29,950,404
Philadelphia & Reading Ry. Co.....	20.03	26.28	4,248,170	6,372,255

Table 15 gives some interesting figures on the earnings of two anthracite carriers—the Philadelphia & Reading Railroad Co. and the Central Railroad Co. of New Jersey:

TABLE 15.—Extract from condensed income and profit and loss statement.

PHILADELPHIA & READING RAILWAY CO.¹

Year ended June 30—	Gross surplus.					Deductions from surplus.				
	Net income for year.		Surplus at beginning of year.	Miscellaneous credits.	Total.	Dividends declared.		Provisions for additions and betterments and new lines, etc.	Miscellaneous deductions.	Total.
	Amount.	Ratio to capital stock.				Rate.	Amount.			
		Per cent.				Per cent.				
1913.....	\$12,090,170	28.46	\$8,765,980		\$20,856,150	15	\$6,372,255	\$2,391,562	\$532,247	\$9,296,064
1912.....	8,138,578	19.16	9,655,987	\$44,061	17,838,626	15	6,372,255	2,629,740	70,651	9,072,646
1911.....	7,663,005	18.04	11,372,906	98,260	19,134,171	25	5,000,000	3,353,559	1,124,625	9,478,184
1910.....	8,703,036	43.51	9,721,612	82,618	18,507,266	25	5,000,000	2,070,661	63,699	7,134,360
1909.....	6,365,268	31.63	10,162,066		16,527,334	25	5,000,000	1,805,722		6,805,722
1908.....	7,290,878	36.45	9,816,427		17,107,305	30	6,000,000	937,660	7,579	6,945,239
1907.....	7,892,359	39.46	9,772,002		17,664,361	30	6,000,000	1,847,934		7,847,934
1906.....	8,924,908	44.62	10,387,530		19,312,438	30	6,000,000	3,539,352	1,084	9,540,436
1905.....	8,338,805	41.69	7,028,368		15,367,173	20	4,000,000	979,643		4,979,643
1904.....	5,490,030	27.45	5,112,103		10,602,133	12	2,400,000	1,173,765		3,573,765
1903.....	3,546,276	17.73	2,794,587		6,340,683			1,228,760		1,228,760
Average.....		31.65				22.7				

CENTRAL RAILROAD CO. OF NEW JERSEY.¹

1913.....	\$7,332,882	26.73	\$13,960,878	\$731,371	\$22,034,131	12	\$3,292,416	\$4,040,466	\$563,392	\$7,896,274	\$14,137,857
1912.....	6,018,662	21.94	13,519,634	41,360	19,579,656	12	3,292,416	2,000,000	317,352	5,609,778	13,969,878
1911.....	6,702,593	24.43	12,596,346	987,169	20,286,108	12	3,292,368	3,000,000	474,106	6,766,474	13,519,634
1910.....	8,957,788	32.65	10,939,487	192,111	20,089,386	12	3,292,368	4,000,000	200,672	7,496,040	12,596,346
1909.....	4,537,956	16.54	10,583,306	550,577	15,671,839	8	2,194,912	2,000,000	537,440	4,732,352	10,939,487
1908.....	5,123,441	18.67	9,579,874	626,070	15,329,385	8	2,194,912	2,000,000	551,167	4,746,079	10,583,306
1907.....	5,782,878	21.08	9,515,632		15,298,510	8	2,194,844	2,362,062	1,161,730	5,718,636	9,579,874
1906.....	5,659,705	20.63	9,211,227	212,923	15,083,855	8	2,194,424	1,954,444	1,419,355	5,568,223	9,515,632
1905.....	5,032,422	18.35	8,739,227	330,984	14,102,633	8	2,193,704	1,072,702	1,625,000	4,891,406	9,211,227
1904.....	4,326,204	15.78	8,840,881		13,167,085	8	2,193,464	665,146	1,569,248	4,427,858	8,739,227
1903.....	2,134,796	7.79	8,962,224		11,097,020	8	2,193,264		62,875	2,256,139	8,840,881
Average.....		20.41				9.4					

¹ Transcript of record, U. S. v. Reading Co. et al., United States Supreme Court, 1915, vol. 2, p. 113.

The Philadelphia & Reading average dividend for the 10-year period is 22.7 per cent. In addition it increased its net surplus from five millions to eleven and one-half millions, or over 100 per cent. Almost as good a showing is made by the Central Railroad of New Jersey, which increased its surplus from nine millions to over fourteen millions and at the same time paid dividends of a yearly average of 9.4 per cent.

Mr. STEVENSON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. STEVENSON. Is there any reason, then, why the rate on coal should not be reduced on those coal-carrying roads?

Mr. NEWTON of Minnesota. There is certainly no reason, so far as I can find out, why the rates on the coal-carrying roads should not be reduced.

Mr. STEVENSON. Then the rate on all coal should naturally be reduced. They are getting more for it than is necessary to earn their 6 per cent.

Mr. NEWTON of Minnesota. But the beneficiary of the high rates on coal are not the roads or the lake companies that

carry it, but these same interests that own the mines. They get a big price and a short haul.

Mr. CAMPBELL of Kansas. Does the excess of over 6 per cent go into the Treasury for the benefit of the smaller roads?

Mr. NEWTON of Minnesota. The anthracite roads are under the terms of the transportation act.

Mr. CAMPBELL of Kansas. Then the excess over the 6 per cent would not go into their fund?

Mr. NEWTON of Minnesota. Not since the passage of the transportation act. However, these figures are prior to 1920.

Mr. STEVENSON. That depends on whether the roads have signed the contract. They were not required to sign the contract to accept the first compensation during the first six months.

Mr. NEWTON of Minnesota. That was the 6-month period. That was a question of contract. But as to the standard return, following the 6-month guaranty period there is a recapture clause. But I want to say to the gentleman from South Carolina [Mr. STEVENSON] and the gentleman from

Kansas [Mr. CAMPBELL] that up to the present time no railroad, so far as I am advised, has paid over a penny on this provision. I do not know whether they ever will. They have not paid up to the present time.

Mr. LONDON. And under the Esch-Cummins Act the railroad companies have to turn over to the Government one-half of the amount earned above 6 per cent, do they not?

Mr. NEWTON of Minnesota. That is approximately correct. Mr. LONDON. And if they earn a dividend, say, of 12 per cent they retain 9 per cent—only one-half of the excess?

Mr. NEWTON of Minnesota. That is the provision of the act; but, as I say, there is no railroad that has turned over any proportion of that under the terms of the act.

Mr. STEVENSON. That is put into a general fund for the purpose of advancing money for equipment to roads that have not sufficient equipment, but they have to pay that money back some time and have to pay interest on it. The road has not lost what it put in there itself—an investment on a certain trust fund.

Mr. NEWTON of Minnesota. The provision referred to was to help out the weaker roads.

Now, bear in mind that the figures that I have given here have in large part been based upon figures furnished by the companies voluntarily at some time or other, either for investment purposes in the various financial journals or publications or voluntarily through some governmental agency during the period of the war.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. I was told just a moment ago, Mr. Chairman, that I had seven minutes, and I am positive since then I have not used three.

The CHAIRMAN. The Clerk said that was a mistake.

Mr. NEWTON of Minnesota. I know; but it seriously interferes with my presentation.

Mr. ANDERSON. Mr. Chairman, I yield five additional minutes to the gentleman.

The CHAIRMAN. The gentleman from Minnesota is recognized for five additional minutes.

Mr. NEWTON of Minnesota. Mr. Chairman, I have no hesitancy in submitting to the committee that these earnings and profits, as shown by coal company and coal carrier, are excessive and constitute an unjust charge, not only on the domestic consumer but upon business and industry. Yet, I venture to say, if the payment of excessive prices for coal would bring real service and a steady maintenance of supply, that the country might be disposed to pay these excessive prices and say little. But the payment of these prices does not insure a maintenance of our coal supply. It is not a price paid for efficient service. Every year or two the maintenance of our coal supply is threatened. It either is a breakdown of production through a strike or a breakdown of distribution through lack of proper distributing facilities. The country is again threatened with a strike. If it comes, there is no counting its cost or duration. The coal famine or threatened coal famine of a year ago cost the country several hundred millions of dollars. What this strike will cost if it comes no one can predict. Truly, Mr. Secretary Hoover—I think it was he—was right in characterizing the coal industry as the worst run basic industry in the country.

Furthermore, we not only face a strike but we face it unprepared. We know nothing about the operators' business, except as here and there they have chosen to furnish information to the Government or public for reasons of their own. As to capitalization, costs and profits, depreciation charges, overhead expenses, and their reasonableness, the Government knows practically nothing. Wrapped up in the coal business are numerous contracts and leases skillfully drawn to baffle the understanding of the most expert lawyers. While the Government knows little about the business details of the operators, it knows little more by way of accurate, authoritative information as to the yearly earnings of the workmen, the number of days employed per year, and the purchasing power of the wage in the locality of the mine.

It seems to me that the Federal Government should have all this information, and it is the duty of this Congress, in my judgment, to confer this power in express terms upon some governmental agency, so that these coal companies can be compelled to currently report this information. It will then be available for use at any time for any emergency. [Applause.]

One year ago the Senate Committee on Reconstruction recommended such a measure. I introduced a similar measure in the House. It starts out on the broad premise that in this country coal is a public necessity and essential to the health

and for the life of the people. It therefore expressly charges coal with a public use. It does this on the theory that the Federal Government is necessarily concerned with the health and lives of its citizens. Ninety per cent of the coal mined goes into interstate-commerce channels. In my judgment, the Federal Government has jurisdiction under the commerce clause, but this bill predicates jurisdiction not only on the commerce clause but upon the general obligation resting upon all governments, and our own Government in particular, to protect the health and lives of its citizens.

The power to ascertain this information is conferred upon the Federal Trade Commission. Soon the attention of everyone will be directed to the question of coal supply, owing to the threatened strike and the country's unpreparedness for meeting it. It occurs to me, therefore, that this is an appropriate time for Congress to consider a measure of this kind.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. STEVENSON. If the gentleman will permit, if the Federal Trade Commission's power is contested in the courts on the ground that the mining of coal is not an interstate effort, will not your legislation be subject to the same controversy?

Mr. NEWTON of Minnesota. In part, yes; but the Government would rest its case not only upon the interstate-commerce clause in the Constitution but on the broader ground that coal is a public necessity, and that it is required for the health and general welfare of the people, and that the commission, as an agency of Congress, has the right to acquire information pertaining to matters of such vital moment to all the people.

Mr. STEVENSON. If the gentleman will permit, flour or wheat is also in the nature of a public necessity, and we have not the right to go into the production of wheat unless it goes into interstate commerce.

Mr. NEWTON of Minnesota. I am sorry, but my time is so short and will not permit further discussion. But we regulate banks, and yet they are no more important than the mines and the distribution of coal at a reasonable price. We regulate public utilities and the railroads vastly more than is contemplated in this legislation, and yet the railroads can not run when the mines do not run.

Mr. LONDON. Mr. Chairman, will the gentleman yield for a short question?

Mr. NEWTON of Minnesota. Yes.

Mr. LONDON. Does not the gentleman draw a distinction between natural resources and things created by the effort of man?

Mr. NEWTON of Minnesota. Yes. But I could not take the time to enter into a discussion with the gentleman.

Mr. Chairman, the tables I have presented show gross profiteering upon one of the great necessities of life. Thousands of home owners in the north section of our country simply must use anthracite coal and they can not pay \$18 per ton. There is no reason why they should pay it. The earnings made by these coal companies could not have been made if they had sold their coal at only a just and reasonable margin of profit. How much more they have made only they themselves know. The public is entitled to full and complete information regarding this basic industry. If the Government does not take steps to acquire this information it is not showing that regard for the health and lives of its citizens that it should. This bill is not a drastic, restrictive, regulatory measure; it only seeks information, and relies upon an informed and aroused public opinion to correct any abuses ascertained in acquiring the information.

The Director of our Geological Survey has aptly called coal "the staff of life of industry and the lifeblood of transportation." The statement is an accurate one. It is time for the Government to so consider this industry, and to that end, Mr. Chairman, this Congress ought to hasten the enactment of some legislation of this character. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ANDERSON. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. GENSMAN] such time as he desires.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. GENSMAN. Mr. Chairman, I take this opportunity of calling to the attention of the House a condition that exists in very few States of the Union. I recognize the fact that it is peculiar to only a few States, and on account of that fact in the past the House has not given the matter a great deal of consideration. I am not altogether certain that it has ever

been called to the attention of the House, but it is a matter that should receive the careful consideration of the Members of this great law-making body.

A number of the leading educators of my district and State have communicated with me on the subject, expressing their desires and wishes and offering such advice and suggestions as they have with regard to remedying the situation. I have taken all these suggestions into my most careful consideration and from the mass of information I have received I have prepared and introduced a bill for the consideration of the proper committee and the House, with the hope that at an early date this situation will be taken care of.

In every State where Indians have received allotments these tracts of land are intermingled with lands belonging to the white man, the Indian allotment being nontaxable and the white man's land being taxable, which results in whole geographical townships and school districts in some instances being principally nontaxable land.

The gradual trend toward the policy of sending Indians in districts of this kind to the State schools upon paying a certain inadequate amount daily per scholar results in the white man being overtaxed and having a very poor school and in the Indian paying for sending his children to a very poor school, to the disadvantage and detriment of Indians and whites alike.

The policy of the Government has been to discontinue such schools as Rainy Mountain and other Indian schools as rapidly as possible. I tried the other day on the floor of the House to get an appropriation for the Rainy Mountain school, with no success other than to have my esteemed and distinguished friend, the gentleman from Illinois [Mr. MANN], say to me, "Young man, you made an excellent presentation of the matter and a good fight." The amendment carrying the appropriation lost by three or four votes.

I feel that the Government ought to educate the Indian in separate schools or to arrange for adequate facilities for educating him in the white schools. We advocate the education of the Indian. Every Member seems to have his own theory on this proposition. We are trying to discontinue a system that has long been in vogue and inaugurate a new one. In some instances we are taking care of the education of the Indian in Government schools, while in others trying to send him to the white schools, with the inevitable result that, with a mixed-up system of this kind, the Indian is but poorly educated, or at least is not getting the full benefit of the money expended in his behalf, and the white children alike are not receiving what they are entitled to.

What I have said with regard to schools applies alike to other improvements in the various townships, precincts, and school districts. In townships where there are a great many Indian allotments the roads are neglected, the bridges inadequate, and general improvements are poor.

In discussing this subject, the Indian question, which is an old question in this House, in a general way comes up for debate. To begin with, the Government has agreed in various treaties with the Indian to take care of his needs. He is known as the ward of the Government. The responsibility rests alone and entirely upon the Government. The Government, representing all the people, should under the circumstances be solely and entirely responsible to the Indian for his care. That responsibility should not be shifted from the shoulders of the Government to those of the few white people who happen to live in close proximity to the Indian. The responsibility should be borne by all of those comprising our great Government. The fact that a small number of white people own and live upon lands within the township or subdivision where numerous Indian allotments have been selected is no reason why they should assume the responsibility. A few shoulder the major portion of the responsibility, which in all justice rests upon all. A few are compelled to travel over poorly kept roads, live in a township or county with few and poor schools, and poorly paid teachers, while at the same time these men pay more taxes to the county, State, and school district than the man who has better facilities.

In addition to the responsibility a man owes to his family, he owes to the Government the responsibility to raise his family in such a manner as to make of them citizens who will be a credit to it. The Government, on the other hand, has responsibilities to its citizens, one of which is equity of taxation among and upon its members. The contractual responsibility to the Indian embodied in the various treaties should be shared equally by all and should not be shifted so as to be borne principally by those who happen to live in certain localities. My opinion of the matter is that it is high time for us to determine whether we will educate the Indian in the white schools or in the Indians' school. The present "50-50" proposition is not

conducive to the best interests of the Indians or the whites. Let us take one horn of the dilemma.

In my bill I propose that the Indian allotments be valued, and that, in lieu of taxes, the Government pay a sum equal to the taxes paid upon like property owned by whites. In that way every member of the Government shoulders his portion of the governmental responsibility. It would be of great benefit to the Indians and alike to the whites. To say the least of it, it would be an equitable distribution of the responsibility; but as it now stands, in a great many places not only do a few of the mature assume the burden of the entire people but the school children are adversely affected by this inequitable situation, and under no circumstances should they be called upon to suffer because of a responsibility which all the people assumed in the various contracts or treaties made between the Government and the Indians.

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to my colleague from Texas [Mr. CONNALLY].

The CHAIRMAN. The gentleman from Texas is recognized for 30 minutes.

Mr. CONNALLY of Texas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, on last Thursday, March 2, in this Chamber the gentleman from Ohio [Mr. FESS], speaking no doubt as the chairman of the Republican congressional campaign committee, delivered a speech in which he gave a glowing account of what he termed the accomplishments of the Republican administration. Prepared and delivered as a campaign document for use in the congressional elections, it may be regarded as the official pronouncement of the Republican political organization. On the buoyant bosom of that river of dreams float Republican hopes for success in the election this fall. In its fine phrases can be heard the plea of the mendicant for votes, and wrapped up in its partisan platitudes is the anxious appeal of a desperate and perplexed party begging for two more years of public patience and forbearance. [Laughter.]

The fervid orator, as he stood on this floor, pointed with pride to the emergency tariff act as a monumental accomplishment. Through the magic of that measure the rehabilitation of agriculture had been hastened and much progress made along the road of national rehabilitation. How vain, gentlemen, how empty is that boast revealed when we consult the real facts of the operation of that piece of legislative quackery! Now, we all know that in an effort to delude the farmer, in an effort to commit the agriculturists of the United States to the Republican protective tariff theory, this measure which levied a duty of 35 cents per bushel on wheat, 15 cents per bushel on corn, 20 cents a gallon on cottonseed oil and some other vegetable oils, 26 cents a gallon on peanut oil, 30 per cent ad valorem on cattle, \$2 per head on sheep, and 15 cents per pound on unwashed wool, was enacted by the Republicans and became effective on the 27th day of May, 1921.

Those duties were levied because the Republican politicians were trying to make the farmer believe that if imports of agricultural products could be taxed at the customhouse, by the operation of law, the price of his products would be increased and prosperity would be assured.

Mr. CAMPBELL of Kansas. Will the gentleman yield for just a very short question?

Mr. CONNALLY of Texas. Yes.

Mr. CAMPBELL of Kansas. In order to make the RECORD entirely accurate, will not the gentleman say that some Texas Members who are Democrats voted for that measure?

Mr. CONNALLY of Texas. I do not deny that. I shall answer the gentleman. The gentleman from Kansas is never so sure that he is right as when he finds some Democrat from Texas voting with him. [Laughter and applause.] I will say to the gentleman that there were some Members of the Texas and other delegations who are Democrats who were so desperate, so anxious to do something for agriculture, knowing that the Republican Party was in control, knowing that it was only through your party that any relief could be granted, knowing that you would propose nothing else, grasped at that straw and voted for the emergency tariff. But deep down in their hearts, if they had taken counsel of the past, they would have known that your political nostrum could not have been of any substantial benefit to the agricultural interests of this Nation.

Mr. CAMPBELL of Kansas. Will the gentleman yield for another question?

Mr. CONNALLY of Texas. No; I regret I can not yield any more. I have only 30 minutes. When I get along a little further I shall yield again. I do not want to be discourteous to the gentleman from Kansas, because I realize that he is one of the outstanding agricultural figures in this body. He is successful each two years in cultivating the farmers, even more assiduously than they cultivate the soil. [Laughter and applause.]

But what in fact did the emergency tariff do for the agricultural interests? To what dizzy heights did agricultural prices soar on its powerful pinions? Where is the hoarded gold touched by this modern Midas and brought into the farmers' treasury? Let us see what are the statistics.

I want to say that in quoting these figures and statistics I quote the Bureau of Markets of the Department of Agriculture, the Department of Commerce, and the Joint Commission of Agricultural Inquiry, of which the gentleman from Minnesota [Mr. ANDERSON] was chairman. With information from these sources I want to call the attention of the country and of this House to the real operation of the Fordney emergency tariff.

The Bureau of Markets and Crop Estimates reports that for May, 1921, the month in which the cry of despair went up, the month in which the Republicans proposed the remedy, No. 2 red wheat was selling in Chicago at \$1.67 a bushel. It declined in June to \$1.47, and in December it went to the low point of \$1.18 per bushel, from the point of \$1.67, with a 35 cents per bushel duty.

And what else do we find? We find that the department reports disclose that for that entire time, with one exception, the export price of wheat was greater than the domestic price. It discloses that the price of wheat going out of the United States was greater than the price of wheat sold within the United States. It discloses that the markets in Great Britain were always higher than the domestic markets within the United States. It simply disclosed what we have always said, that for the farmers' surplus products over and above what is consumed within the United States, the export market fixes the domestic price. You can not fix it by any political or legislative legerdemain, as was sought to be done in the farmers' emergency tariff. It may be worth while to refer to other data showing the prices for wheat for each month since May, 1921, at Chicago, under the tariff, in comparison with prices for the year previous without a tariff, and in comparison with British prices.

At Chicago in June, 1921, No. 2 red winter was worth \$1.47 per bushel, against \$2.89 for the same month in 1920. In Great Britain for June, 1921, wheat was selling at \$1.72, against \$1.47 at Chicago.

July, 1921, found it at \$1.24 at Chicago, against \$2.59 in 1920. In July, 1921, it was \$1.58 in Great Britain, against \$1.24 at Chicago.

In August, 1921, the market at Chicago was \$1.22, against \$2.50 for 1920, and in Great Britain in August, 1921, it was \$1.48, against \$1.22 at Chicago.

In September, 1921, the price was \$1.29 at Chicago, against \$2.53 for 1920. In September, 1921, it was \$1.47 in Great Britain, against \$1.29 in Chicago.

October, 1921, found it at \$1.18 at Chicago, against \$2.20 for 1920. In Great Britain in October, 1921, it was \$1.21, against \$1.18 at Chicago.

For November, 1921, it was \$1.23 at Chicago, against \$2.01 for 1920. In Great Britain it was \$1.17, against \$1.23 at Chicago.

In December, 1921, it was \$1.18 at Chicago, against \$2.02 for 1920. In December, 1921, it was \$1.32 in Great Britain, against \$1.18 at Chicago.

In January, 1922, the Chicago market was \$1.21, and for February it was \$1.34.

From a table prepared by the Department of Commerce these facts are made to appear: In June, 1921, the farm price of wheat in the United States was \$1.27, against an export price of \$1.58; for July, \$1.12 against \$1.50; for August, \$1.048 against \$1.40; for September, \$1.01 against \$1.34; for October, \$1.06 against \$1.30; for November, \$0.94 against \$1.18; for December, \$0.929 against \$1.21. The foreign market, the export market, the free world market, was always higher than the domestic market, and the domestic market itself declined from May, 1921, until it went as low as \$1.18 in December, 1921, after seven months of the operation of the emergency tariff. In January of the present year—January, 1922—the Chicago wheat market was only \$1.21, and for February it was only \$1.34. In these instances it rose because the world market rose first.

I hold in my hand an Associated Press report dated at Chicago February 14, 1922, detailing a sensational rise in the wheat market of 6½ cents. This report stated that wheat had risen 6½ cents a bushel at Chicago. Why? "The reason was the sensational advance of Liverpool and other foreign market centers over yesterday's holiday," says the dispatch. This morning's Washington Post carried the following:

CHICAGO GRAIN.

CHICAGO, March 6.

Export buying of United States wheat, together with an unexpected advance of prices at Buenos Aires, led to substantial gains here to-day in the value of wheat.

Well, if it did not help wheat, surely it helped corn in Iowa and Kansas. Let us see what it did for corn. Corn carried a duty of 15 cents a bushel. In June, 1921, the price at Chicago was 62 cents under the tariff as against \$1.89 for the year preceding without a tariff, the year 1920. When it was 62 cents in Chicago it was 97 cents in Great Britain. Its performance was like that of wheat.

In July, 1921, it was 60 cents at Chicago against \$1.58 in 1920. When 60 cents at Chicago it was 98 cents in Great Britain.

In August, 1921, it was 56 cents against \$1.58 for 1920. When it was 56 cents in Chicago it was 93 cents in Great Britain.

September, 1921, it was 53 cents against \$1.31 for 1920. When it was 53 cents in Chicago it was 82 cents in Great Britain.

In October, 1921, it was 45 cents against 91 cents for 1920. When it was 45 cents in Chicago it was 71 cents in Great Britain.

In November, 1921, it was 47 cents against 77 cents in 1920. When it was 47 cents in Chicago it was 74 cents in Great Britain.

In December, 1921, it was 47 cents against 74 cents for 1920. When it was 47 cents in Chicago it was 86 cents in Great Britain.

By a table prepared by the Department of Commerce it is shown that the farm prices of corn in the United States for 1921 compared with the export prices were as follows: June, \$0.625 against \$0.743; for July, \$0.622 against \$0.71; August, \$0.617 against \$0.64; September, \$0.562 against \$0.60; October, \$0.51 against \$0.595; November, \$0.411 against \$0.612; December, \$0.423 against \$0.635.

When in December, 1921, corn was 47 cents in Chicago it was 86 cents in the British foreign market. These instances, gentlemen of the House, simply disclose the fact that the prices of surplus agricultural products of the United States are fixed in the markets of the world. They are not fixed by tariff tinkering with importations. The United States is a great exporter of wheat and the foreign market will always continue the free market, and that free foreign market will continue to fix the domestic price of wheat, because if a purchaser wants to buy wheat or corn in the United States he will not buy except at a price less than is offered for it at the seaboard. Whenever wheat stops going abroad the price drops at home, because the domestic surplus naturally reduces the price.

Now, let us see about some of the other articles. They tried to delude some of us into the belief that if there be levied a tariff on cottonseed oil it would immediately raise the price of cotton seed. So they levied a tariff on a great number of vegetable oils. What happened? Cottonseed oil was provided with a duty of 20 cents a gallon, and from May, 1921, to January of the present year it increased in the New York market from \$0.0713 to \$0.0865 per pound, or a little over 20 per cent, but cotton seed, out of which the oil is manufactured and upon which there was not levied a cent of duty, increased for the same time from \$20 to \$35.50 per ton at Memphis—not 20 per cent, but an increase of over 75 per cent on the free markets of the world.

The following are the farm prices for cotton seed per pound, compared with the export prices as reported by the Department of Commerce for the last seven months of 1921: June, \$0.009 against \$0.037; July, \$0.009 against \$0.017; August, \$0.011 against \$0.019; September, \$0.014; October, \$0.015 against \$0.026; November, \$0.015 against \$0.021; December, \$0.014 against \$0.054.

The market quotations further show that during all the period the British market for cottonseed oil and the market for cotton seed were always higher than the domestic market.

In June, 1921, cotton seed was \$18.50 per ton at New Orleans, against \$41.87 for Egyptian spot cotton seed in the British market; in July, \$22.50 against \$49.17; in November, \$37 against \$47.94; and in December, \$36 against \$54.56.

The following were the export prices of cottonseed oil for the last seven months of 1921: June, \$0.078; July, \$0.077; August, \$0.092; September, \$0.092; October, \$0.093; November, \$0.089; December, \$0.084.

And the British market was: For June, 1921, \$0.072 to \$0.0827; July, \$0.0776 to \$0.0887; August, \$0.0852 to \$0.0946; September,

\$0.0834 to \$0.0956; October, \$0.0971 to \$0.1067; November, \$0.0869 to \$0.0934; December, \$0.0811 to \$0.0904.

The domestic market did not lead but followed the foreign markets.

Peanuts carried a duty of 3 cents per pound and peanut oil one of 26 cents a gallon. Surely peanuts must have gone skyward. In June, 1921, the domestic price per pound was \$0.038, but the export price was \$0.063; for July, \$0.038 against \$0.071; August, \$0.039 against \$0.061; September, \$0.04 against \$0.063; October, \$0.04 against \$0.063; November, \$0.037 against \$0.074; and December, \$0.035 against \$0.058.

At no time was the advance more than two-tenths of a cent over the June price, and December found them three-tenths of a cent lower. The price for foreign export was always much higher than the home price. Virginia Jumbo cleaned peanuts in the New York market in May, 1921, were \$0.115 per pound. In January, 1922, they had declined to \$0.093 and to \$0.088 in February. The simple truth is that the United States before the war and since the war exported more vegetable oils than she imported, and the foreign market fixes the price at home.

Mr. SNYDER. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. SNYDER. Can the gentleman assure us by any information he may have at hand that if the emergency tariff had not been enacted the prices would not have gone lower than they did?

Mr. CONNALLY of Texas. Oh, I would prefer not to speculate on that now. I have not quite got to the object of the emergency tariff. The real object of the emergency tariff was not to raise the price of agricultural products. As a price for getting the agricultural schedules in that bill, what did the Republican Ways and Means Committee demand at the hands of the farmers? They demanded that there should be written into it an embargo on dyes, and they demanded as the price for the alluring bait that they held out the insertion in the tariff bill of an antidumping clause, which prohibits in a large measure the importation of foreign merchandise into the United States on the theory that it was being brought here at a price less than the cost of production.

Mr. SNYDER. One other suggestion: Does the gentleman realize that when the emergency tariff was enacted we were at the crisis of our speed of deflation, and the gentleman does not know, nor anyone else know, how far we would have gone if the emergency bill had not been enacted?

Mr. CONNALLY of Texas. How far would they have gone?

Mr. SNYDER. I do not know, and neither does the gentleman.

Mr. CONNALLY of Texas. I have not pretended to know; I only know that the legislative concoction prescribed by the political doctors on the Republican side of the House when administered did not improve the patient. [Laughter.] You said it was done to improve and cure the sick, and now because the patient has not already died the gentleman wants to believe that but for the administration of this medicine he would have died.

Mr. SNYDER rose.

Mr. CONNALLY of Texas. I can not yield again, because my time is limited and there are other phases I want to talk about. When I have time I am always very glad to yield to the gentleman, because he generally contributes enlightenment to the debate.

A little while ago the gentleman from New York [Mr. SNYDER] wanted to know if the prices of agricultural products would not have declined to still lower levels if the tariff had not been imposed. It is difficult to see how that could have occurred, because the export prices, the prices in foreign markets, were higher than domestic prices, and prevented home prices from going lower. Foreign prices held home prices up instead of driving them down. This is true, although whatever imports were shut out of the United States were forced upon the foreign market.

On the other hand, if deflation, the decline of European exchange, and the collapse of European markets caused prices to decline, the cure should have been applied to the cause.

What else do we find? We find, as I have already said, that the object in passing the emergency tariff legislation was to make it harder to import European merchandise and manufactured goods, because it was said that they were being brought in at a price less than the cost of production. The Agricultural Commission has reported that the crop of 1920 was sold at less than the cost of production; and if so, was it a crime that the farmer should have been able to exchange some of his goods, sold for less than the cost of production, for a few manufactured goods that were sold for less than the cost of production?

Money is a relative value. If all of us go down together, we all sustain the same relative position, but if by law you pull up the manufacturer and the industries, you also by the same act let the farmer down toward the bottom of the scale.

How about wool? I may say here that wool is one agricultural product that in normal times would benefit by a tariff. A tariff in ordinary times would without doubt raise the price of wool, because we do not normally produce as much as we consume, but at the time the emergency tariff was enacted, and for some time thereafter, it did not benefit the woolgrower, and the figures disclose that fact.

What happened to wool? The report of the Agricultural Commission discloses that at the time of the passage of the emergency tariff law there were 4,000,000,000 pounds of wool in the world, and that the normal supply of wool was only 2,000,000,000 pounds. In other words, the world had more than twice as much on hand as it normally had, and until that surplus was somewhat reduced the world's price of wool was going to remain low. The Department of Commerce reports that the farm prices for wool in the United States were \$0.154 in June, 1921, as against \$0.232 for export; July, \$0.155 against \$0.216; August, \$0.154 against \$0.213; September, \$0.155 against \$0.24; October, \$0.158 against \$0.224; November, \$0.156 against \$0.212; December, \$0.169 against \$0.184.

The figures disclose that even during the operation of the emergency tariff act the export prices on wool were always higher than the domestic price. The domestic price of wool varied from about 15.5 cents until it rose to 16.9 cents, I believe in December, and wool is up some at the present time.

Mr. LONGWORTH. What does the gentleman mean by "some"?

Mr. CONNALLY of Texas. I can not find the exact figures. It is up over what it was in December.

Mr. LONGWORTH. It is over 40 cents a pound to-day.

Mr. CONNALLY of Texas. As I have already pointed out, a tariff will eventually raise the price of wool when stocks are reduced. The gentleman will not dispute the fact, however, that wool was much lower during the last six months of 1921, with his tariff, than it was the first six months without a tariff. The world price had declined.

Mr. LONGWORTH. At the time the emergency tariff act was passed there was no market for wool, and now it is worth over 40 cents a pound.

Mr. CONNALLY of Texas. If the emergency tariff act made it 40 cents a pound in February and March, 1922, why did not the gentleman's bill make it rise at least 1 cent in May or June, or July or August, 1921, when the emergency tariff act went into operation? In the hands of the farmer it rose only one-fifth of a cent from June to November.

Mr. LONGWORTH. I will answer the gentleman very briefly by saying that at that time the importations under the Underwood law had been so enormous that it took some time before the market was affected.

Mr. CONNALLY of Texas. The gentleman seems to contradict himself. He said a moment ago there was not any market for wool at that time; there was practically no market—no world market—for wool. Our tariff laws do not operate beyond our boundaries, and the 4,000,000,000 pounds of wool in the world were neither increased nor decreased by the Underwood Tariff Act, and the gentleman ought to know that.

The agricultural commission made a careful study of the situation. I quote from its report on page 112:

Most of the Governments engaged in the war had built up large surplus stocks of wool in anticipation of war demands, and with the decline of this demand consumption rapidly fell the world over. This, coupled with the surplus stocks which came on the market in 1920, was without doubt the major factor in inducing the rapid and disastrous decline in wool prices which occurred the last half of 1920 and the first half of 1921.

The peak of consumption of wool in the United States was reached in January, 1920, since which time it has steadily declined. This decline in consumption was doubtless a factor in reducing the price, although the enormous surplus stock of wool in this country as well as in the world was the major factor in bringing about that result.

The tremendous war surplus is shrinking. Wool has gone up the world over in recent months. It rose in the foreign markets before it rose here. The prices quoted by me were farm prices received by the producer. The quotation by the gentleman from Ohio is doubtless the Boston market for wool after it reached the hands of the wool merchant and the speculator.

Sheep over 1 year old carried a duty of \$2 per head and \$1 on less than 1 year old. How much did it help the price? The Department of Commerce says the farm price of sheep per hundred pounds was as follows: June, 1921, \$4.74; July, \$4.34; August, \$4.38; September, \$4.11; October, \$3.96; November, \$3.84; and December, \$4.10. Sheep were selling for less in

December, 1921, than in June of the same year. At Chicago sheep in May, 1921, were worth \$6.33, but declined to \$4.92 in December, 1921. Sheep now are much higher. No doubt the rise in wool is reflected in sheep.

With a duty of 30 per cent ad valorem, how did cattle fare? The farm price of cattle per hundred pounds varied, as follows: June, 1921, \$5.65; July, \$5.40; August, \$5.39; September, \$4.98; October, \$4.81; November, \$4.67; December, \$4.62. Cattle were selling for \$1 per hundred pounds less in December, 1921, than in June of the same year, when the act first became effective. The Department of Agriculture reports that beef cattle at Chicago were \$8.33 in May, 1921, and \$7.12 in January, 1922, and \$7.60 in February.

If the emergency tariff did not enhance farm prices measured in dollars, what was its effect? As I have said, money is a relative thing. It is only valuable in that it represents a purchasing power measured in other commodities.

The Joint Commission of Agriculture, composed of five Senators and five Members of the House, in its report says:

Measured in terms of purchasing power, the farmers' dollar in 1920 was worth 89 cents. In May, 1921, it was worth 77 cents. During the past 12 months it has been worth less than in any preceding 12 months in 30 years.

It also states that a bushel of corn in 1921, measured in other commodities, would only purchase 59 per cent of what it would for the five-year average before the war; wheat, 78 per cent; cotton, 48 per cent; cotton seed, 48 per cent; beef cattle, 71 per cent; sheep, 64 per cent; wool, 63 per cent; and the average of 31 farm products, 67 per cent.

What was a farmer's dollar worth in other goods—not in money? The commission discloses that in 1921 a dollar received by the farmer for his agricultural products was worth a dollar anywhere in the world, of course, because gold is standard, but in 1921 a dollar's worth of agricultural products, measured by the average for five years preceding the war, was worth only 67 cents.

What does it mean? It means that the products of the farmer which are worth a dollar in gold in the market of the world, when measured in the United States domestic market, tariff protected, is only worth 67 cents in other goods. It means that an artificial market has been maintained here for manufactured goods at the expense of the farmer. That same table discloses that corn which is worth a dollar in the markets of the world in other goods of the United States is only worth 59 cents, measured by the standard of the five years preceding the war. It shows that cotton, although it is worth a gold dollar in the markets of the world, when measured in the domestic market in the United States in other goods which the farmer has to buy is only worth 48 cents. What does it mean? Does it mean that the farmer's labor is lighter or that his hours are shorter? No. It means that he must sell in a free world market and must buy in a tariff-protected market. It means that he must take what he can get—what the foreign market forces the domestic buyer to pay—and that he must buy in a highly organized domestic market, in which foreign goods are not allowed to compete.

The report also contains a table showing the average annual earnings of employees normally engaged in different industries; for 1900 average of all industries \$622, against \$302 for agriculture; for 1910, \$656 against \$301; for 1911, \$648 against \$317; for 1912, \$692 against \$319; for 1913, \$723 against \$328; and for 1918, \$1,094 against \$590. It is said that though about 30 per cent of the persons gainfully employed in the United States are engaged in agriculture, normally they received only about 17 or 18 per cent of the national income. These things, gentlemen, go to the very heart of the whole economic situation. These things disclose that the protective tariff principle of the Republican Party is responsible for building up an artificial stimulation for the manufactured products of the land and for the industries of this country at the expense of agricultural interests and the consuming public. But the tariff is the Republican cure-all. It has been its standard prescription from the beginning. Once there was a school of medicine that invariably prescribed bleeding, whatever the disease or condition of the patient. With lancet and cup, these cruel surgeons weakened their victims while professing to coax them back to health and strength. This political doctor, like the leech of old, prescribes bleeding for sick agriculture and is preparing now a permanent tariff bill for his weakened and debilitated patient. In the tariff laboratories he is sharpening the knife and preparing the anesthetic for another operation. You need not doubt when the American valuation clause is tacked on the tariff bill, or some substitute as unjust and inequitable, but that the agricultural interests and consuming public of the country will know that they have had a prescription of heroic

proportions. [Applause on the Democratic side.] And that is what they are fixing to do. That is their chief treatment. The gentleman from Michigan [Mr. FORDNEY] said on the floor here, when sponsoring the permanent tariff bill through this body, when asked some question, I think by the gentleman from Texas [Mr. GARNER], as to what the Republicans were going to do to improve the conditions under which the country was suffering, held aloft the ponderous Fordney tariff bill and, in effect, said, "Here is our remedy for all ills and conditions." That is the Republican doctrine.

The gentleman from Ohio [Mr. FESS] the other day in making a catalogue of the accomplishments of the Republican Party did not point out that the emergency act contained the antidumping clause, which, in fact, shuts off the foreign market for the product of the farmer. The trouble with the farmer was he had no foreign market. The antidumping clause tended to shut out importation and hurt his market in foreign countries. Another trouble was that he had to buy in the domestic market, whereas his product is fixed in the market of the world, and at one fell swoop you injure the foreign market, where he sells, and protect the home market, in which he buys.

Gentlemen, these permanent tariff restrictions are being compounded in the face of the fact that Europe owes us \$11,000,000,000 in gold, and has no gold with which to pay and can only pay in goods. The Republican Party is preparing to build up a barrier to shut out those goods, and whenever that time comes that \$11,000,000,000 of debt must remain a debt.

Why is a protective tariff levied? What is the purpose of it? The purpose of it is to raise the price. Raise the price to whom? To the man who buys. Where? To raise the price in the United States. Raise the price in the domestic market, make it cost more for the consumer, whether he is a farmer or whether he is a machinist or whether he is a laborer or merchant or lawyer or doctor or whatever he may be. The object of a tariff is to make it cost more to the man that buys it or wears it or toils with it in his hands. That is the object of a tariff. To tax one man and give to another, to make one man work harder and longer than another man may get more money and work less.

But, gentlemen, the picture that the gentleman from Ohio [Mr. FESS] painted the other day was to him a pleasing prospect. He is marvelously endowed with the skill of the old-time photographers, who after producing a negative erased all the facial blemishes, rubbed out the wrinkles, retouched the rough places, blotted out the disfigurements with real architectural genius, until there remained a handsome, smooth picture, as pleasing as it was unlike the subject.

Now, the gentleman from Ohio said in his address that "freight rates must come down before agriculture and general business can become normal." The Commission on Agriculture, in its report, says: "In other cases commodities could not be moved at all, because the prices at the terminals would be entirely absorbed by the freight charges in transporting them"; that "no industry can survive or prosper under such conditions. An immediate reduction in freight rates is absolutely essential to anything approximating a normal return of profits for farming operations." However, although the gentleman from Ohio said freight rates must come down, the gentleman failed to point out that he and his party have done nothing whatever to reduce freight rates to where business and agriculture and commerce can live. Why did not the gentleman from Ohio decorate the list of Republican achievements with that signal performance?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN. I yield three minutes more to the gentleman.

Mr. CONNALLY of Texas. The gentleman from Ohio failed to point out in his political panegyric of his party that the present administration is preparing to sell the great fleet of steel ships, for which the people of the United States paid \$220 per ton—is preparing to sell them now on the worst and lowest market in the history of the shipping industry—for something like one-tenth of their cost. Why did not the gentleman from Ohio rise in his place and point with pride to that achievement?

The gentleman from Ohio failed to point out that his party and his administration have done nothing to restore foreign markets for American goods—foreign markets in which our produce and our manufactures must be sold if they are to be sold profitably.

The gentleman from Ohio failed to point out that the War Finance Corporation, for whose extension he took so much pride, was a Democratic accomplishment and a Democratic conception, and that its revival was urged by Democrats on this floor.

The gentleman failed to point out that during the time his party was in power unemployment has increased throughout the length of this Republic. The gentleman failed to point out that of the \$818,000,000 which he claimed was lopped from the tax roll of the people \$450,000,000 was lopped from the excess profits of great corporations rather than the ordinary man of the street, and that \$90,000,000 more of it was cut from extremely high incomes of the land rather than from off the back of the man of moderate income or the man who works and toils with his hands.

The gentleman from Ohio failed to point out that the accomplishments of his administration toward world disarmament were successful only to the degree that they were patterned on the conception and inspiration of a Democratic administration. [Applause on the Democratic side.]

The gentleman from Ohio failed to point out that economies effected through a reduction in the personnel of the Army were forced upon the Republicans by the Democrats.

The gentleman from Ohio failed to point out that his party has failed to inspire confidence in business or enterprise.

The gentleman from Ohio failed to point out that his party now proposes to pass an iniquitous tariff measure with an American valuation clause.

Above all other things, the gentleman from Ohio carefully and studiously declined to point out that his party and his administration had approved and confirmed an election in which \$200,000 had been admittedly spent in a campaign for high office. He avoided reference to it as he would shun a foul and unclean thing. He failed to point out that his party and his administration had adopted as its own the most notorious election in the history of any State. He failed to point out that his party and his administration stand before the people of the United States as sponsors of that disgraceful example of debauchery. Why did not the gentleman from Ohio point to that scandalous thing? Was he ashamed or did he forget? No. He did not forget—nor can he forget. I must remind the gentleman from Ohio that no catalogue of Republican achievements, no list of things done, no placard of partisan performance is complete unless it sets forth in letters of scarlet that bold, that shameful, that outrageous political scandal in the State of Michigan. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDERSON. Mr. Chairman, I yield 25 minutes to the gentleman from Oregon [Mr. SINNOTT].

Mr. SINNOTT. Mr. Chairman, I do not think I shall take up that much of the time of the House. It is getting pretty late, and rather than impose on the House I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. SINNOTT. Mr. Chairman, I further ask unanimous consent to insert in the RECORD, in 8-point type, certain statutory citations which I desire to make.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to insert in the RECORD, in 8-point type, certain citations as indicated. Is there objection?

There was no objection.

FEDERAL FARM LOANS ON UNITED STATES RECLAMATION PROJECTS.

Mr. SINNOTT. Mr. Chairman, to-morrow is Calendar Wednesday, and I understand that the Committee on Irrigation of Arid Lands will call up the bill H. R. 4382 to-morrow, and inasmuch as under the Calendar Wednesday rule there can be only one hour devoted to debate on the bill on each side, obviously there will not be sufficient time to-morrow to explain this bill, and for that reason I desire to-day to explain some features of the bill, so that the membership of the House may read the RECORD in the morning and get some information regarding the bill which the time allotted to-morrow will not enable it to obtain from the debate on the floor.

The following is a copy of the bill:

A bill (H. R. 4382) to provide for the application of the reclamation law to irrigation districts.

Be it enacted, etc., That in carrying out the purposes of the act of June 17, 1902 (32 Stats., p. 388), and acts amendatory thereof and supplementary thereto, and known as and called the reclamation law, the Secretary of the Interior may enter into contract with any legally organized irrigation district whereby such irrigation district shall agree to pay the moneys required to be paid to the United States, and in such event water-right applications on the part of landowners and entrymen, in the discretion of the Secretary of the Interior, may be dispensed with. In the event of such contract being made with an irrigation district the Secretary of the Interior, in his discretion, may contract that the payments, both for the construction of irrigation works and for operation and maintenance, on the part of the district shall

be made upon such dates as will best conform to the district and taxation laws of the respective States under which such irrigation districts shall be formed, and if he deem it advisable he may contract for such penalties or interest charges in case of delinquency in payments as he may deem proper and consistent with such State laws, notwithstanding the provisions of sections 1, 2, 3, 5, and 6 of the reclamation extension act approved August 13, 1914 (38 Stats., p. 686). The Secretary of the Interior may accept a partial payment of the amount due from any district to the United States, providing such acceptance shall not constitute a waiver of the balance remaining due nor the interest or penalties, if any, accruing upon said balance: *Provided*, That no contract with an irrigation district under this act shall be binding on the United States until the proceedings on the part of the district for the authorization of the execution of the contract with the United States shall have been confirmed by decree of a court of competent jurisdiction, or pending appellate action if ground for appeal be laid.

SEC. 2. That patents and water-right certificates which shall hereafter be issued under the terms of the act entitled "An act providing for patents on reclamation entries, and for other purposes," approved August 9, 1912 (37 Stats. L., p. 265), for lands lying within any irrigation district with which the United States shall have contracted, by which the irrigation district agrees to make the payment of all charges for the building of irrigation works and for operation and maintenance, shall not reserve to the United States a lien for the payment of such charges; and where such a lien shall have been reserved in any patent or water-right certificate issued under the said act of Congress, the Secretary of the Interior is hereby empowered to release such lien in such manner and form as may be deemed effective; and the Secretary of the Interior is further empowered to release liens in favor of the United States contained in water-right applications and to assent to the release of liens to secure reimbursement of moneys due to the United States pursuant to water-right applications running in favor of the water users' association and contained in stock subscription contracts to such associations, when the lands covered by such liens shall be subject to assessment and levy for the collection of all moneys due and to become due to the United States by irrigation districts formed pursuant to State law and with which the United States shall have entered into contract therefor: *Provided*, That no such lien so reserved to the United States in any patent or water-right certificate shall be released until the owner of the land covered by the lien shall consent in writing to the assessment, levy, and collection by such irrigation district of taxes against said land for the payment to the United States of the contract obligation: *Provided further*, That before any lien is released under this act the Secretary of the Interior shall file a written report finding that the contracting irrigation district is legally organized under the laws of the State in which its lands are located, with full power to enter into the contract and to collect by assessment and levy against the lands of the district the amount of the contract obligation.

SEC. 3. That upon the execution of any contract between the United States and any irrigation district pursuant to this act the public lands included within such irrigation district, when subject to entry, and entered lands within such irrigation district, for which no final certificates shall have been issued and which may be designated by the Secretary of the Interior in said contract, shall be subject to all the provisions of the act entitled "An act to promote the reclamation of arid lands," approved August 11, 1916: *Provided*, That no map or plan as required by section 3 of the said act need be filed by the irrigation district for approval by the Secretary of the Interior.

This bill, H. R. 4382, is a bill which will not only give the Government better security than it now has under the reclamation law for governmental expenditures, but in addition to that it will enable the farmers upon Government reclamation projects to obtain farm loans which now they are unable to obtain.

Mr. GARNER. Mr. Chairman, will the gentleman yield there?

Mr. SINNOTT. Yes.

Mr. GARNER. Do you mean from the Federal Farm Loan Board?

Mr. SINNOTT. Yes; from the Federal Farm Loan Board.

Mr. GARNER. While I am on my feet, I would like to ask the gentleman what the prospects are of passing the so-called western reclamation act, carrying \$250,000,000 for the next 10 years?

Mr. SINNOTT. I am unable to say what the prospects are for the passage of that bill, but I hope for its passage.

Mr. Chairman, farmers on Government reclamation projects labor under a great handicap because they can not secure loans under the Federal farm loan act. The reason they can not secure these loans is because under section 12 of the Federal farm loan act, approved July 17, 1916, it is provided:

SEC. 12. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

1. Said loans shall be secured by duly recorded first mortgages on farm land within the land bank district in which the bank is situated.

Section 2 of said Federal farm loan act provides:

SEC. 2. That wherever the term "first mortgage" is used in this act it shall be held to include such classes of first liens on farm lands as shall be approved by the Federal Farm Loan Board, and the credit instruments secured thereby.

Farmers on Government reclamation projects can not comply with the provisions of said sections 12 and 2 of the Federal farm loan act, because they can not give a first-lien mortgage upon their farms for the reason that the Government, under the provisions of sections 2 and 3 of the act approved August 9, 1912, Thirty-seventh Statutes, 264, reserves a first lien. The pertinent provisions of section 2 of said act are as follows:

That every patent and water-right certificate issued under this act shall expressly reserve to the United States a prior lien on the land patented or for which water right is certified, together with all water rights appurtenant or belonging thereto, superior to all other liens,

claims, or demands whatsoever for the payment of all sums due or to become due to the United States or its successors in control of the irrigation project in connection with such lands and water rights.

Sec. 3. That upon full and final payment being made of all amounts due on account of the building and betterment charges to the United States or its successors in control of the project, the United States or its successors, as the case may be, shall issue upon request a certificate certifying that payment of the building and betterment charges in full has been made and that the lien upon the land has been so far satisfied and is no longer of any force or effect except the lien for annual charges for operation and maintenance.

The Federal Farm Loan Board's opinion on this subject, printed in the report on H. R. 4382, is as follows:

Board is unanimously of the opinion that loans can not be made on lands under reclamation projects where Government reserves lien in patent and such lien remains unsatisfied. We distinguish between above cases and those projects where irrigation charge is a fixed annual assessment and collected as taxes, complete title being in borrower. * * * Where the water assessment is merely a fixed annual charge, collectible as taxes, and the borrower's legal title is unimpaired, we feel that loans can be made, the question in this instance to consider being the effect of the assessment on the borrower's net earning power. Where the title reserves a specific lien for a specific amount, clearly the borrower does not have such title as enables him to give a first mortgage, constraining the term first mortgage, as we must, to mean a paramount lien.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. SINNOTT. Yes.

Mr. STEVENSON. Why can not the man who has the land borrow and discharge the lien of the United States, just as he discharges the first mortgage and gets out of the lien, and get his title clear?

Mr. SINNOTT. Well, the construction charges run over a period of 20 years. Then when the settler receives his patent for the land the patent reserves a lien for the Government not only for the construction charge but for the future yearly operation and maintenance charges.

Mr. STEVENSON. But as I understand that opinion which the gentleman just read, that charge will be treated as taxes and not as a lien.

Mr. SINNOTT. Under the United States reclamation law they are not so treated, but will be so treated as taxes provided we pass this bill. This bill meets the objection of the Federal Farm Loan Board. The Federal Farm Loan Board in its decision is really speaking of the ordinary irrigation district project, disconnected from and dissociated with the Government reclamation project which retains the annual lien. Loans are made on lands in such an irrigation district. Now, the proposition of the Federal Farm Loan Board is that the irrigation project, disconnected with the Government irrigation project, although it may bond itself, those bonds are paid by yearly assessments which are collected just the same as taxes are collected. Now, they say that such obligations are not liens that militate against the Federal farm loan banks granting a mortgage.

Mr. STEVENSON. Then what does the bill that you speak of propose as to relieving the situation?

Mr. SINNOTT. I will insert in the RECORD a letter that I have received from J. F. McNaught, president of the Hermiston irrigation district, inclosing a letter from the president—D. G. O'Shea—of the Federal farm loan bank at Spokane, Wash., showing why loans can not be made to the farmers on the irrigation district upon the Umatilla project:

HERMISTON IRRIGATION DISTRICT,
Hermiston, Oreg., January 30, 1922.

Hon. N. J. SINNOTT,
House of Representatives, Washington, D. C.

DEAR MR. SINNOTT: I am inclosing herewith copy of letter received by Mr. S. C. Lochrie, cashier of the First National Bank of Hermiston. Mr. D. G. O'Shea, president of the Federal land bank at Spokane, has stated the case very succinctly. This is in answer to Mr. Lochrie's letter accompanying the application for a Federal loan of a farmer residing on this project, and is self-explanatory. You will recall that all lands in reclamation projects going to patent since the passage of the act of August 9, 1912, are by the terms of the patent made subject to a Government lien for the unpaid portion of the construction charge. The application which Mr. Lochrie sent to the Federal bank, perfect in every other respect, was sent in as a test case to ascertain definitely what the bank would do in such cases.

I beg to advise you that fully one-half of the lands in this project fall within that category, and I assume the situation is similar in other projects. I beg to further advise you that about two years ago the water users of this project were induced to form and enter into an irrigation district under the State law, and to enter into a contract with the Government in which the district obligated itself to pay all claims of the Government against the individual landowners, and the Government agreed to, and did, cancel all liens against said lands except the liens created by the said act of August 9, 1912, and that it was represented at the time of the execution of that contract that immediate steps would be taken to secure the repeal of said act and to secure the release of the lands which had heretofore gone to patent from the liens.

As further security goes, this provision in the patent is like the fifth wheel to a carriage, superfluous, as the district is bound to pay all Government claims against the lands whether they went to patent before or after the passage of the act of August 9, 1912. Under the conditions that prevail, where a district has been formed and a contract has been entered into, as set forth above, the act in question

creates an unjust discrimination and precludes the owners of one-half of the lands from securing much-needed Federal loans, a right which they are rightfully entitled to.

Can we not look to you to introduce and foster a bill repealing this now unjust law? We suggest that the repealing act should be so worded as to release all lands from the lien heretofore created by the provisions of the original act. We are sending a copy of this letter to Secretary Fall, Senator McNARY, and Director Davis, asking them to support the measure.

Very truly, yours,

J. F. McNAUGHT,
President Hermiston Irrigation District.

Mr. S. C. LOCHRIE,
Hermiston, Oreg.

DEAR SIR: We are in receipt of your letter of the 14th instant having reference to former correspondence on the matter of the consideration of applications for loans by farmers under a Government reclamation project on lands to which patent contains the reservation provided for under the act of Congress approved August 9, 1912.

We have read same and have noted the case set forth in the patent submitted by you for consideration.

We return the patent herewith.

In your letter of the 11th instant you stated as follows: "In our particular case we have many farmers whose lands have been patented since 1912, but at the same time their liens have been released by the United States Reclamation Service and the Umatilla River Water Users' Association." That is a pretty straight statement of a thing we thought could not be done, and we asked you to furnish us a record of a specific case, and we expressed also the thought that no public officer would execute a satisfaction of a lien unless authorized and empowered so to do. The abstract of title on page 2 thereof referred to by you shows record of patent from the Government to Mr. Carl Vertner, which patent is issued under the provisions of the act of August 9, 1912, and it contains a specific lien prior and superior to all and other liens, etc., to secure payment to the Government for the sums due and to become due for water furnished. The release of water lien shown on pages 17 and 18 of the abstract executed by the Acting Secretary of the Interior and for the Government satisfies the liens mentioned therein, but it clearly and specifically does not release or attempt to release the liens reserved to the United States in connection with patents issued under the act of August 9, 1912. We have marked with red pencil the particular clause in the release which excepts from the provisions of the release liens reserved in patents as aforesaid, wherefore the statement in your letter of the 11th that the liens had been released is not correct, for the liens reserved in the patents have not been released.

We will again say, where a lien has been reserved in the patent from the Government for irrigation construction charges we know of no way in which same can be satisfied except by payment of the construction charges in full; that it would not be considered advisable for the farmer to pay off a noninterest-bearing lien of the kind; and the Federal land bank under the law would not be authorized and can not make loans on lands the patents to which contain the reservation mentioned until such reservation be satisfied.

Yours, very truly,

D. G. O'SHEA, President.

The bill H. R. 4382 proposes that the Secretary of the Interior may enter into a contract with the irrigation district, which is a corporate entity. The moment that contract is entered into with the irrigation district all the lands of the irrigation district by operation of law become liable for the payment of the expenditures made by the Government. Now, that liability is not the technical lien referred to in the Federal farm loan act. In other words, that obligation on the part of the irrigation district will not prevent the Federal farm loan banks from making the necessary loans to the farmers upon the irrigation project, because under the laws of the various Western States the amount due the Government will be collected by annual assessments just the same as the ordinary county or city or municipal taxes are collected.

Mr. STEVENSON. And the debt that is due the Government, then, will just simply bear the same relation to the land in that irrigation district that the bonded debt of a county bears to the lands in the county?

Mr. SINNOTT. Yes; and it will really give the Government a better security for its expenditures than the Government has to-day. The security for the Government expenditures to-day is a lien upon each individual tract, upon each individual fund. Now, under the proposition contained in H. R. 4382 the Government will substantially have a lien upon every acre of the land in the district as a whole for the entire governmental expenditure. Suppose that on an irrigation project to-day some one's land becomes water-logged and thereby becomes worthless and irreclaimable. In that event the Government loses its investment in that particular tract of land; but under the operation of this bill the Government would not lose its expenditure in that particular tract of land, because the entire obligation is assumed by the entire district. Now, I have prepared a synopsis of the Oregon irrigation district laws regarding these contracts of irrigation districts with the United States, which I shall insert in the CONGRESSIONAL RECORD.

SYNOPSIS OF OREGON IRRIGATION DISTRICT LAWS REGARDING CONTRACT OF IRRIGATION DISTRICTS WITH THE UNITED STATES—FROM OLSON CODE.

"Section 7305 authorizes 50 or a majority of the owners of land irrigated or susceptible of irrigation to petition the county court to organize an irrigation district for the construction of irrigation works 'or for the assumption as principal or guar-

antor of indebtedness on account of district lands to the United States under the Federal reclamation laws.'

"Section 7308 authorizes the county court to declare the district duly organized when three-fifths of the votes cast are in favor of the district.

"Section 7309 provides 'that in case any district organized under this act is appointed fiscal agent of the United States or by the United States is authorized to make collections of moneys for and on behalf of the United States in connection with any Federal reclamation project, the treasurer and each director shall execute a further and additional official bond in such sum as the Secretary of the Interior may require, conditioned for the faithful discharge of the duties as fiscal or other agent of the United States under any such appointment or authorization.'

"Section 7316 provides 'that any water the right to use of which is acquired by the district under any contract with the United States shall be distributed and apportioned by the district in accordance with the acts of Congress, and rules and regulations of the Secretary of the Interior, and the provisions of said contract in relation thereto.'

"Sec. 7322. District may contract with the United States: For the purpose of acquiring control over Government land within the district and of complying with the provisions of the act of Congress entitled 'An act to promote reclamation of arid lands,' approved August 11, 1916, the board shall have authority to make such investigations, and based thereon, such representations and assurances to the Secretary of the Interior as may be requisite; and said board may enter into any obligation or contract with the United States for the construction, operation, and maintenance of the necessary works for the delivery and distribution of water therefrom under the provisions of the Federal reclamation act and all acts amendatory thereof or supplementary thereto and the rules and regulations established thereunder, and may contract for the refusal of water service to any lands which are in default in the payment of any assessment levied to carry out any contract between the district and the United States, or for the assumption, as principal or guarantor, of indebtedness to the United States on account of district lands; or the board may contract with the United States for a water supply or drainage works under any act of Congress providing for or permitting such contract, and in case contract has been or may hereafter be made with the United States as herein provided, bonds of the district may be deposited with the United States, at 90 per cent of their par value, to the amount to be paid by the district to the United States under any such contract, the interest on said bonds, if bearing interest, to be provided for by assessment and levy as in the case of other bonds of the district, and regularly paid to the United States to be applied as provided in such contract; and if the bonds of the district are not so deposited, it shall be the duty of the board of directors to include as part of any levy or assessment provided for in this act an amount sufficient to meet each year all payments accruing under the terms of any such contract; and the board may accept, on behalf of the district, appointment of the district as fiscal agent of the United States, or authorization of the district by the United States to make collections of money for or on behalf of the United States in connection with any Federal reclamation project, whereupon the district shall be authorized to so act and to assume the duties and liabilities incident to such action, and the said board shall have full power to do any and all things required by the Federal statutes now or hereafter enacted in connection therewith, and all things required by the rules and regulations now or that may hereafter be established by any department of the Federal Government in regard thereto.

"Any property acquired by the district may be conveyed to the United States in so far as the same may be needed by the United States for the construction, operation, and maintenance of works for the benefit of the district under any contract that may be entered into with the United States pursuant to this act.

"Sec. 7323. Election for bonds and contract with United States: This section provides for an election to determine 'whether the right to enter into an obligation or contract with the United States shall be authorized.' This section further provides, 'If a majority of the votes cast are "Contract with the United States—Yes," the board, acting in pursuance of said election, may negotiate and execute a contract with the United States.'

"Sec. 7324. Provides 'The contract provisions for the payment of construction charges to the United States, and the bonds securing the payment of the same, if any be issued and deposited, may be of such denominations and may call for the payment of such interest not exceeding 6 per cent per annum, may provide for such installments and for repayment of the

principal at such times as may be required by the Federal laws and as may be agreed upon between the board and the Secretary of the Interior.'

"Sec. 7326. Bonds, how paid—Character of the obligation: Said bonds and the interest thereon and all payments due or to become due to the United States under any contract between the district and the United States, accompanying which bonds of the district have not been deposited with the United States as provided in this act, and all obligations for the payment of money authorized and incurred under this act, shall be paid by the revenue derived from the annual assessments upon the land in the district, and all the lands in the district shall be and remain liable to be assessed for such payments as herein provided and under and subject to the provisions of this act.

"In case the amount assessed against any tract of land shall not be paid the next assessment against the land in the district shall be so increased as to take care of such default. In addition to the provision for the payment of said bonds and interest by taxation and other provisions of this act, all the property of the district, including irrigation and other works, shall be liable for the indebtedness of the district, and the holder of the bonds or the United States, in case contract has been executed by the United States, may, in case of default in the payment of interest or principal on the bonds, or the amount due on the contract, upon the order of the circuit court, take possession of the irrigation and other works of the district and operate the same until the amount in default shall have been fully paid.

"Any assessment upon land shall be a lien against the property assessed, and such lien for all payments due or to become due under any contract with the United States or for the payment of principal or interest of bonds deposited with the United States shall be a preferred lien to any assessments for bonds issued subsequent to the date of such contract or the issuance of said bonds deposited with the United States, and no district assessment lien shall be removed until the assessments are paid with interest and penalties or the property sold for the payment thereof.

"Sec. 7327. Payment of coupons—Redemption of bonds: The treasurer shall keep a 'bond fund' account or a 'United States contract fund' account, or a 'bond and United States contract fund' account, as the case may be, into which shall be covered all moneys arising from the sale of refunding bonds and assessment and levy until there is sufficient money in such fund to meet the next installment of principal and interest upon bonds of the district and to meet all payments for construction and all other purposes to the United States. From said fund he shall pay moneys due as principal and interest on bonds as they shall mature and the bonds and coupons be presented and as payments to the United States shall fall due.

"Sec. 7328. Assessments: This section provides, among other things, 'that where contract has been made with the United States in addition to the amount hereinbefore determined and apportioned, the board of directors shall fix the amount payable by each tract within such district, and the amount so fixed shall be in accordance with the reclamation laws and the public notices, orders, and regulations issued thereunder, and shall be in compliance with any contract made by the United States with the owners of said lands and in compliance further with the contracts between the district and the United States, * * * and the amounts so determined, fixed, and apportioned shall constitute an assessment upon the lands of the district, * * * and the assessment and apportionment made by the board of directors as in this act provided is prima facie evidence that all of the requirements of the law in relation thereto have been complied with and that the same are liens against the property to the same extent as other taxes lawfully levied.'

"Sec. 7331. Levy of assessment and collection: This section provides for the entering of the apportionment against each land upon the county assessment roll in the same manner that other municipal assessments are entered, except that it is entered 'as the irrigation district tax against same.' This section provides that such tax shall be collected as the other taxes of the county. This act further provides 'In case of neglect or refusal of the board of directors to cause assessment and levy to be made, as in this act provided, then the assessment and levy herein provided for shall be made and equalized by the county court of the county in which the office of the board of directors is situated, sitting for the transaction of county business, in the same manner that said court levies county taxes, with like effect as the board of directors is required to make the same, and all expenses incident thereto shall be borne by such district, and such levy and assessment shall be entered on the county tax roll by the county assessor in the manner in this section provided.'

"Sec. 7339. This section provides in case a contract has been entered into by the district and the United States no change shall be made in the boundaries of the district unless the Secretary of the Interior shall assent thereto in writing.

"Sec. 7341. This section provides that the exclusion of lands from the district shall not affect, impair, or discharge any contract, obligation, lien, or charge for which the district is liable.

"Sec. 7343. This section provides in case a contract has been made between the district and the United States the board shall have no jurisdiction to consider a petition for dissolution of the district until it shall have been certified to the board of directors by the Secretary of the Interior that all payments and obligations due or to become due to the United States under such contract shall have been fully paid or that the Secretary of the Interior consents to such dissolution.

"Sec. 7354. May turn lands over to United States for development and colonization—To levy assessments to pay cost—Powers to contract: Any irrigation district organized pursuant to the laws of the State of Oregon may turn over to the Federal Government, or any agency thereof, any lands owned or controlled by said district for the purpose of having the same developed and colonized by said Federal Government, or any agency thereof, and may levy assessments for the repayment to the Federal Government, or any agency thereof, the sum expended in the development of such lands, with the interest thereon not to exceed 6 per cent per annum, and may pay such moneys over to the Federal Government, or any agency thereof, as the same is collected. Said districts may also assess such lands to cover repayment to the district of the cost, with interest thereon not to exceed 6 per cent per annum, and shall deposit the same in the 'bond fund' account, or the 'United States contract fund' account, or the 'bond and United States contract fund' account, as the case may be, and said assessments shall be in addition to the assessments which may be levied to meet the reclamation charges, interest thereon, and maintenance. Irrigation districts may enter into such contracts and assume such obligations with the Federal Government, or any agency thereof, as may be necessary, expedient, or desirable to bring about the development of the lands in said irrigation district by the Federal Government, or any agency thereof.

"Sec. 7358. This section provides for the commencement proceedings to secure a judicial determination of the regularity and legality of all the proceedings of the district including 'the regularity and legality of the authorization of contract with the United States, and as to the validity of said contract, whether or not the same shall have been executed, and whether or not bonds are to be deposited with the United States.'"

The chief counsel of the Reclamation Service, Mr. Hamele, informs me that the other Western States have irrigation district laws embracing these governmental contracts that are very similar to the Oregon irrigation district law. For that reason I am inserting only the Oregon irrigation district laws in the RECORD so that they may be studied to-morrow. I think the House will find that every contingency that may arise has been anticipated; that the interests of the Government are fully safeguarded. The Oregon irrigation district law, as well as the laws of other Western States, was really prepared by or in cooperation with the chief counsel of the Reclamation Service. They are designed really to correlate and to be linked into this bill, H. R. 4382, and I believe when Members of the House study the various provisions of the Oregon district law, which would take too much time to explain this evening, they will find that the entire matter has been very thoroughly and very carefully covered. These contracts can not be entered into unless there is a vote of the farmers in the district approving the contract. Thereafter the contract must be reviewed by the court and the court must pronounce all the proceedings of the district, the calling of the election, the election itself, and the negotiation and consummation of these negotiations with the Secretary of the Interior—all of these must be validated by the court before the contract is valid.

I shall also insert in the RECORD a memorandum prepared by the chief counsel of the Reclamation Service, Mr. Hamele, who gives further valuable information and citations regarding this bill and regarding the validity of such contracts as are proposed to be entered into between the Secretary of the Interior and the irrigation district in case this bill is passed.

The following is the memorandum of Mr. Hamele, chief counsel of the United States Reclamation Service:

Memorandum by chief counsel of the United States Reclamation Service regarding contracts between irrigation districts and the United States providing for the payment of water charges under Federal irrigation projects.

1. The irrigation district is a quasi municipal public corporation with the power to levy assessments against its lands for the payment of its obligations.

2. Congress has in a general way during the past 10 years approved the plan of making contracts between the United States and irrigation districts to provide for the payment of water charges due the United States on Federal irrigation projects. The Warren Act of February 24, 1911 (36 Stat., 925), provides for contracts with irrigation districts, and the extension act of August 13, 1914 (38 Stat., 686), at section 5, authorizes the transfer of the care, operation, and maintenance of Federal irrigation projects to irrigation districts. In section 7 of the last-named act the Secretary of the Interior is authorized to appoint irrigation districts as fiscal agents on Government projects. In the Smith Act of August 11, 1916 (39 Stat., 506), public lands of the United States were made subject to the assessment and levy of irrigation districts. The sundry civil appropriation act of June 12, 1917 (40 Stat., 148), provides that no moneys shall be expended for drainage on the Rio Grande project except in irrigation districts formed under State laws and upon the execution of agreements for the repayment to the United States of all project investments. A similar provision appears in the sundry civil appropriation act of July 1, 1918 (40 Stat., 674), and in the sundry civil appropriation act of July 19, 1919 (41 Stat., 200). In the act of July 1, 1918, Congress specifically approved an agreement by which a developed Carey Act project in Idaho, which had been organized into an irrigation district, known as the King Hill irrigation district, contracted with the United States for the further development of the project and for repayment to the United States under the irrigation district plan. The sundry civil appropriation act of June 5, 1920 (41 Stat., 913), approves a further agreement with the King Hill irrigation district and also provides that no part of the appropriation made for the Boise Federal irrigation project in Idaho shall be expended for drainage except in irrigation districts formed under State laws and upon the execution of agreements for the repayment to the United States of the cost thereof.

Each of the arid States of the West, in which a Federal irrigation project is located, has passed a specific statute authorizing contracts between the United States and irrigation districts of the kind in question. These statutes are as follows:

Arizona Laws, 1921, page 324, section 1; California Laws, 1917, page 243, section 1; Colorado Laws, 1921, pages 496, 498; Idaho Laws, 1915, page 304; Idaho Laws, 1917, page 297; Montana Laws, 1915, page 360; Montana Laws, 1917, page 333; Montana Laws, 1919, page 235, section 1; Nebraska Laws, 1915, page 461, sections 1 and 2; Nebraska Laws, 1917, page 467, section 1; Nebraska Laws, 1917, page 464, section 1; Nevada Laws, 1921, page 83, section 24; New Mexico Laws, 1917, page 66, section 12; North Dakota Laws, 1917, page 157, sections 68-69; Oregon Laws, 1917, page 246, sections 1-2; South Dakota Laws, 1917, page 583, section 68; Texas Laws, 1917, page 188, section 52; Utah Laws, 1917, pages 87-97, sections 15-41; Washington Laws, 1917, page 726, section 3A; Washington Laws, 1921, page 440; Wyoming Laws, 1921, page 167, section 963.

3. In each irrigation-district contract providing for the payment of water charges to the United States the following article is inserted:

"The district as a whole is obligated to pay to the United States the full amount herein agreed upon, according to the terms stated, regardless of any individual default in the payment of any assessment levied by the district."

4. Before the United States incurs any obligation under any of these contracts the contract is submitted to a vote of the electors of the district and thereafter such election on the contract and the execution of the contract are confirmed by a proceeding in court, which is binding upon all the electors of the district. No expenditure is made by the United States under any such contract until these confirmation proceedings have been had and until time for appeal therefrom has expired. We have many contracts of this nature, and in no case has any objection to their validity been sustained by the court. Usually no objections are raised, but the validity of such contracts was expressly decided in the State of Idaho in the case of Nampa and Meridian Irrigation District v. Petrie (153 Pac., 425).

5. The State statutes referred to above, which authorize the making of such contracts, are of a generally uniform nature. A leading case upon the right of such an irrigation district to reassess lands to make up delinquencies is that of Norris v. Montezuma Valley Irrigation District (248 Fed., 369), decided in 1918 in the United States Circuit Court of Appeals, eighth district. We quote the following from the opinion:

"The trial court was of the opinion that the Colorado statutes relating to irrigation districts impliedly prevented an additional levy as demanded by plaintiffs because the statute provided for taxation by special assessments to pay these bonds, that each acre was subject to only the same burden as every other acre for this purpose, and that a requirement of a new levy as prayed would impose an unequal burden on the lands on which the prior levy had been paid, as compared to those lands on which the levies remained unpaid. Undoubtedly the cost of the improvements in a local assessment district must be apportioned in some just mode according to the benefits received by the several portions of the district. (Gast Realty Co. v. Schneider Granite Co., 240 U. S., 55; 36 Sup. Ct., 254; 60 L. Ed. 523; Hagar v. Reclamation District No. 108, 111 U. S., 701, 4 Sup. Ct., 663; 28 L. Ed. 569; Illinois Central Railroad Co. v. Decatur, 147 U. S., 190; 13 Sup. Ct., 298; 37 L. Ed., 132.)"

"The legislature is presumed to have knowledge of the fact that under any system of taxation by assessment hitherto devised a portion of the taxpayers neglect to pay the taxes levied against their property for a long period after they become due. In partial recognition of this fact these statutes provide that the county board shall increase the rate of levy on an irrigation district 15 per cent to cover delinquencies. If the objection that is made to a reassessment be carried to its logical conclusion, the regular annual assessment would be excessive in part because of the practical certainty that some taxpayers would not pay their taxes before the obligations of the district became due. Such a stout requirement of equality of collection would make a system of taxation that would be unworkable in practice. The ordinary machinery for the collection of taxes is not so perfect that it induces payment at the same time from all alike and usually large portions of taxes upon real property, and larger portions of poll and personal-property taxes are never collected. It is supposed that the interest and penalties exacted from those who delay prompt payments and the summary means of enforcement of collection will somewhat equalize the burden that falls on those who pay promptly, but any final unpaid balance is a loss that falls uniformly upon the entire body of taxpayers. It is a common provision in the State constitutions and statutes that assessments or levies for taxation shall be uniform upon the same class of subjects or by value. Such provisions are not violated, when, after the lapse of a reasonable time and after reasonable efforts have been made to collect the first levy, an additional levy is made upon all the property in the district because of the failure of some of the taxpayers to

pay their portion of the first levy. (State v. Common Council, 15 Wis. 30; Sheridan v. Fleming, 93 Mo. 321, 5 S. W. 813; State v. Holt County Court, 135 Mo. 533, 37 S. W. 521; Wayne County Savings Bank v. Supervisor of Township of Roscommon, 97 Mich. 630, 56 N. W. 944; Huey v. Police Jury, 33 La. Ann. 1091. See Bates County v. Wills, supra; Francis v. A. T. & S. P. R. R. Co., 19 Kans. 303.) In the case of State v. Common Council it was said:

"Nor is it of any importance, in a legal point of view, that many of the citizens have contributed their full proportions of the money which should have been applied in payment of these debts whilst others have refused, it matters not whether rightfully or wrongfully. It seems oppressive, and is in some respects, no doubt, a great hardship, that those who are diligent and prompt in the discharge of their obligations to the public should be compelled to suffer on account of the delinquencies of others, occasioned sometimes by the mistakes of the officers of the law, or, it may be, of the legislature, but more frequently the fault of the delinquents themselves. It is an evil inseparable from every system of taxation, a subject always difficult and never free from vices and imperfections—a misfortune which must ever attend those who dwell in communities where any are unwilling to bear their just share of the public burdens. In such affairs the taxpayers are, as it were, sureties for one another. What one gains by accident or fraud the other must lose. No deductions are ever made from the public revenues for such causes. The deficiencies of one year must be made up the next and diverted funds restored. If these inequalities, often inevitable, were to constitute an excuse for the nonpayment of taxes, public faith would be at an end and government must cease. Who doubts, for instance, that under our present law, rigid and impartial as the legislature have endeavored to make it, great injustice is frequently done; that some are charged beyond their due proportion, whilst very many fall far short of it? So long as men suppress truth and make false and corrupt statements of the amount and value of their property, and so long as mistakes occur so long these things will continue. But the remedy does not consist in a refusal to pay all taxes. The evils, so far as possible, are to be obviated by the rigid enforcement of the law, the punishment of those who transgress its provisions, and the election of faithful and competent officers. Clearly such grievances, however perplexing and burdensome, are nothing to the public creditor, who has the right to look to the whole people for the payment of his demand. The duty of the common council is continuing, and does not cease with the levying of one tax which is in part unsuccessful. It ends only when the whole money is collected and the debt actually paid. They can not, therefore, say that their powers are exhausted and no new tax can be levied."

OTTAMOR HAMELE, Chief Counsel.

Mr. ANDERSON. Mr. Chairman, I yield three minutes to the gentleman from Vermont [Mr. GREENE].

Mr. GREENE of Vermont. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Vermont asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GREENE of Vermont. Mr. Chairman, I simply want to employ the short time given me to make a suggestion or two about the development of agriculture and animal industry in my own State of Vermont. I know that it is natural for some people who do not live in that State often to think of it as they see it on the map, a little place sprinkled all over with mountains. We do not have the vast areas for cultivation or grazing that are part of the wealth of the larger States of the West, but we do make good use of the land that we have and it is good soil and fertile and amply repays the labor put upon it. Yet there is little popular information to the effect that we have considerable agricultural resources or that they are highly specialized and intensely developed.

If I were to cite to you by way of one hint, for instance, that Vermont's average yield of corn per acre was larger than that of any other State in the Union and was nearly twice that of the average for the United States, gentlemen would get some idea about what intensive agriculture means in a little State like ours where people are really devoting their minds and energies to it. I have other figures and statistics that will tend to show something of what the people of my State through their energy and enterprise have done on the sides of the old Green Mountains and in the pleasant valleys that lie among them, and desire to place the statement in the RECORD as I have indicated. [Applause.]

The statement referred to is as follows:

Statistics compiled by the State publicity department, of which Walter H. Crockett is director, show that in 1921 Vermont's average yield of corn per acre was larger than that of any other State and was nearly twice that of the average for the United States; that only four States exceeded Vermont in value of oats per acre; that three States exceeded Vermont in value of spring wheat per acre; that six States exceeded Vermont in per acre yield of barley; that three States were better than Vermont in buckwheat per acre; that Vermont's potato yield was exceeded by four States in per acre value; that Vermont was eleventh State in hay yield per acre.

The average yield per acre in Vermont and the United States follows:
Corn: Vermont, 55 bushels; United States, 29.7. Oats: Vermont, 33; United States, 33.7. Barley: Vermont, 25; United States, 20.9. Spring wheat: Vermont, 14; United States, 10.5. Buckwheat: Vermont, 22; United States, 21. Potatoes: Vermont, 150; United States, 90.9. Hay: Vermont, 1.05 tons; United States, 1.39.

Following are the total yields in Vermont for the years 1921 and 1920:

Corn: 1921, 4,150,000 bushels; 1920, 3,807,000 bushels.
Oats: 1921, 2,673,000 bushels; 1920, 2,835,000 bushels.
Spring wheat: 1921, 126,000 bushels; 1920, 209,000 bushels.
Barley: 1921, 200,000 bushels; 1920, 308,000 bushels.

Buckwheat: 1921, 88,000 bushels; 1920, 84,000 bushels.
Potatoes: 1921, 3,750,000 bushels; 1920, 3,510,000 bushels.
Hay: 1921, 945,000 tons; 1920, 1,234,000 tons.
Apples: 1921, 600,000 bushels; 1920, 933,000 bushels.
Pears: 1921, 6,000 bushels; 1920, 10,000 bushels.
The farm values of Vermont crops for 1921 and 1920 follow:

	1921	1920
Corn.....	\$3,428,000	\$4,797,000
Oats.....	1,577,000	2,126,000
Spring wheat.....	158,000	418,000
Barley.....	160,000	370,000
Buckwheat.....	79,000	113,000
Potatoes.....	3,900,000	4,388,000
Hay.....	20,790,000	28,382,000
Apples.....	1,110,000	1,499,000
Pears.....	19,000	28,000
Total.....	31,281,000	42,411,000

This list does not include rye, field beans, tobacco, or garden truck. Rye is omitted for the first time. Its acreage in the State has been small for several years.

The average value per acre for the United States for the staple crops combined is \$14.52. Three of these crops—cotton, rye, and tobacco—are not included in the Vermont report, but the average value per acre for the seven staple crops grown in this State is \$42.52, or nearly three times the national average. The United States average for the 10 staple crops for a period of 56 years is \$14.04.

Mr. BUCHANAN. Mr. Chairman, may I ask the status of the time?

The CHAIRMAN. The gentleman from Minnesota has 54 minutes remaining and the gentleman from Texas has 68 minutes remaining.

Mr. ANDERSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the Agricultural appropriation bill and had come to no resolution thereon.

ADJUSTED COMPENSATION.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the bill (H. R. 10769) to provide adjusted compensation for veterans of the World War, and for other purposes, introduced by the gentleman from Michigan [Mr. FORDNEY] to-day, be printed in the RECORD in 8-point type.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the bill referred to be printed in the RECORD in eight-point type. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, is that the bonus bill?

Mr. LONGWORTH. That is the soldiers' adjusted compensation bill, sometimes referred to as the bonus bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, can the gentleman from Ohio [Mr. LONGWORTH] give us any idea as to when the adjusted compensation bill will be called up for consideration?

Mr. LONGWORTH. I can only say that it is contemplated that the committee will be called together on Saturday next for the purpose of reporting the bill, so that, of course, nothing will be done on the bill before next week under any circumstances. I can not answer further than that.

The bill referred to is as follows:

A bill (H. R. 10769) to provide adjusted compensation for veterans of the World War, and for other purposes.

Be it enacted, etc.—

TITLE I.—DEFINITIONS.

SECTION 1. This act may be cited as the "World War adjusted compensation act."

SEC. 2. As used in this act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918; but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such

service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not overseas service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. The amount of adjusted service credit shall be computed by allowing the following sums for each day of active service, in excess of 60 days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: \$1.25 for each day of overseas service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no overseas service shall not exceed \$500, and the amount of the credit of a veteran who performed any overseas service shall not exceed \$625.

SEC. 202. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico Regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough; or

(h) Any individual detailed for work on roads or other highway construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 307.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is overseas service and part is home service, the home service shall first be used in computing the 60 days' period referred to in section 201.

(d) For the purpose of computing the 60 days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to

in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

TITLE III.—GENERAL PROVISIONS.

OPTIONAL PLANS.

SEC. 301. Each veteran shall have the right to avail himself of any one, but only one, of the following plans:

(1) To receive "adjusted service pay," as provided in Title IV; but the veteran can not choose this plan if the amount of his adjusted service credit is more than \$50;

(2) To receive an "adjusted service certificate," as provided in Title V;

(3) To receive "vocational training aid," as provided in Title VI;

(4) To receive "farm or home aid," as provided in Title VII; or

(5) To receive "land settlement aid," as provided in Title VIII.

APPLICATION BY VETERAN.

SEC. 302. (a) The veteran's choice among the plans enumerated in section 301 shall be made by application filed with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application shall be made on or before July 1, 1923, and if not made on or before such date shall be held void; but if application for land settlement aid is made on or before such date, the time for receiving the credits and exercising the preferences provided for in Title VIII shall be as specified in such title.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

PROOF OF VETERAN'S CHOICE OF PLAN.

SEC. 303. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury, if the veteran has chosen an adjusted service certificate, or to the Director of the United States Veterans' Bureau if the veteran has chosen vocational training aid, or to the National Veterans' Settlement Board if the veteran has chosen farm or home aid or land settlement aid, a certificate setting forth—

(1) That the applicant is a veteran;

(2) His name and address;

(3) The plan chosen; and

(4) The amount of his adjusted service credit.

(b) Upon receipt of such certificate the officer or board to which it is transmitted shall proceed to extend to the veteran the benefits conferred by the plan chosen, as provided for in this act.

PUBLICITY.

SEC. 304. (a) The Secretary of War and the Secretary of the Navy shall, as soon as practicable after the passage of this act, jointly prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this act, accompanied by such statements as to the comparative advantages of each of the plans enumerated in section 301 as may be of assistance to veterans in making their choice among such plans; and shall from time to time thereafter jointly prepare and publish such additional or supplementary information as may be found necessary.

(b) The officer or board having charge of the administration of any plan or part thereof enumerated in section 301 shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer or board has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

(c) The publications provided for in subdivision (a) shall be distributed in such manner as the Secretary of War and the Secretary of the Navy may determine to be most effective to inform veterans of their rights under this act.

STATISTICS.

SEC. 305. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of oversea service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit; and their decisions shall not be subject to review by the general accounting office.

ADMINISTRATIVE REGULATIONS.

SEC. 306. Any officer or board charged with any function under this act shall make such regulations, not inconsistent with this act, as may be necessary to the efficient administration of such function.

REPORTS.

SEC. 307. Any officer or board charged with the administration of any plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday of December of each year.

EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 308. No sum payable under this act to a veteran, or to his estate, or to any beneficiary named under Title V, no adjusted service certificate, and no proceeds of any loan made on such certificate, shall be subject to attachment, levy, or seizure under any legal or equitable process, or to national or State taxation.

UNLAWFUL FEES.

SEC. 309. Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran in obtaining any of the benefits, privileges, or loans to which he is entitled under the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both.

TITLE IV.—ADJUSTED SERVICE PAY.

SEC. 401. There shall be paid to any veteran, as soon as practicable after receipt of an application in accordance with the provisions of section 302, and in addition to any other amounts due him in pursuance of law, the amount of his adjusted service credit, if, and only if, such credit is not more than \$50.

SEC. 402. Payment shall be made by the Secretary of War if the veteran is serving in, or his last service was with, the military forces; and by the Secretary of the Navy if he is serving in, or his last service was with, the naval forces.

SEC. 403. If the veteran dies after making application in accordance with the provisions of section 302 for adjusted service pay and before receiving payment, payment shall be made to his estate.

SEC. 404. No right to adjusted service pay under the provisions of this title shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. The Secretary of War and the Secretary of the Navy shall not pay the amount of adjusted service pay to any person other than the veteran or his estate or such representative of the veteran as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe.

TITLE V.—ADJUSTED SERVICE CERTIFICATES.

SEC. 501. The Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to issue without cost to the veteran designated therein an adjusted service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the sum of (1) the adjusted service credit of the veteran increased by 25 per cent, plus (2) interest thereon for 20 years at the rate of $4\frac{1}{2}$ per cent per annum, compounded annually (such amount being approximately equal to 3.015 times the adjusted service credit of the veteran). The certificate shall be dated, and all rights conferred under the provisions of this title shall take effect as of, October 1, 1922. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Secretary of the Treasury, alter such beneficiary. The amount of the face value of the certificate (unless the certificate has been canceled as hereinafter in this title provided) shall be payable (1) to the veteran on September 30, 1942, or (2) upon the death of the veteran prior thereto, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran.

LOAN PRIVILEGES BEFORE OCTOBER 1, 1925.

SEC. 502. (a) A loan may be made to any veteran prior to September 30, 1925, upon his adjusted-service certificate only in accordance with the provisions of this section.

(b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called "bank"), is authorized to loan to any veteran upon his promissory note secured by his adjusted-service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of 50 per cent of the loan basis (as defined in subdivision (f) of this section) of the certificate, such loan to mature on or before September 30, 1925. The rate of interest charged upon the loan by the bank shall not exceed by more than 2 per cent per annum the rate charged at the date of the loan for the discount of commercial paper under section 13 of the Federal reserve act by the Federal reserve bank for the Federal reserve district in which the bank is located.

(c) If the veteran does not pay the principal and interest of the loan within six months after its maturity (or on or before Sept. 30, 1925, if the loan matures on or after Mar. 30, 1925), the bank shall present the certificate and the note to the Secretary of the Treasury not earlier than May 30, 1925, and not later than October 15, 1925. The Secretary shall thereupon cancel the note and the certificate and pay to the bank the amount of the unpaid principal due it, and the unpaid interest accrued, at the rate fixed in the note up to the date of the check issued to the bank. The difference between 80 per cent of the loan basis of the certificate at the time of its receipt by the Secretary and the amount so paid to the bank shall be immediately paid by the Secretary to the veteran, if living. If the veteran dies before such difference can be paid to him, it shall be paid to the beneficiary under the certificate; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, then the payment shall be made to the estate of the veteran.

(d) If the veteran dies before the maturity of the loan, the amount of the unpaid principal and the unpaid interest accrued up to the date of his death shall be immediately due and payable. In such case, or if the veteran dies after the maturity of the loan (but either before the expiration of six months after the maturity of the loan or before Oct. 1, 1925), the bank shall, upon notice of the death, present the certificate and note to the Secretary, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified of the death by the Secretary of the Treasury and fails to present the certificate and note to the Secretary within 15 days after the notice, such interest shall be only up to the fifteenth day after such notice. The Secretary shall deduct the amount so paid from the face value (as determined under section 501) of the certificate and pay the remainder in accordance with the provisions of section 501.

(e) When any loan becomes in default, the bank shall within 30 days thereafter notify the Secretary of the Treasury of the facts relative to the note, the name of the veteran, and the number of his certificate.

(f) The loan basis of any certificate at any time shall, for the purposes of this section, be the amount of the adjusted service credit, plus interest thereon from October 1, 1922, to such time at the rate of $4\frac{1}{2}$ per cent per annum, compounded annually.

(g) No payment upon any note shall be made under this section by the Secretary of the Treasury to any bank unless the note when presented to him is accompanied by an affidavit made by an officer of the bank before a notary public or other officer designated for the purpose by regulation of the Secretary, and stating that the bank has not charged or collected, or attempted to charge or collect, directly or indirectly, any fee or other compensation (except interest as authorized by this section) in respect to or because of any loan made under this section by the bank to a veteran. Any bank which, or director, officer, or employee thereof who, does so charge, collect, or attempt to charge or collect any such fee or compensation shall be liable to the veteran for a penalty of \$100, to be recovered in a civil suit brought by the veteran.

LOAN PRIVILEGES AFTER SEPTEMBER 30, 1925.

SEC. 503. The Postmaster General is hereby authorized and directed to instruct postmasters of the first, second, and third classes to take applications of veterans for Government loans and collect payments thereon.

SEC. 504. (a) Application for Government loans may be made at any post office of a first, second, or third class. Such loans,

secured by the adjusted-service certificate, shall be made by the Secretary of the Treasury, with or without the consent of the beneficiary, and payments thereon collected, in accordance with the provisions of this title, under rules and regulations prescribed by him. He shall supply postmasters of the first, second, and third classes with blanks upon which veterans may make applications for Government loans. Such applications shall be in the form prescribed by the Secretary of the Treasury, and have attached thereto a form of promissory note to be executed by the veteran, and a receipt, to be delivered to the veteran, which shall be signed by the postmaster receiving the application, and which shall acknowledge the receipt of the note and the certificate, and contain a description of each. The postmaster shall thereupon transmit to the Secretary of the Treasury the application, note, and certificate. Upon the approval of the loan by the Secretary of the Treasury, he shall transmit to the veteran a check for the amount of the loan. He shall also issue in triplicate a statement showing the name and service of the veteran, the number of his certificate, and a schedule of the amounts of the several payments and the dates when due. The original of the statement shall be retained with the application, the duplicate shall be transmitted to the postmaster receiving the application and the triplicate to the veteran. The postmaster holding such statement shall receive and indorse thereon the payments made by the veteran; shall give a receipt to the veteran; and shall promptly transmit payments to the Secretary of the Treasury. Such payments shall be covered into the Treasury as miscellaneous receipts. The veterans shall make repayment of the loan upon an amortization plan by means of a fixed number of annual installments sufficient to cover (1) interest on the unpaid principal at the rate of 4½ per cent per annum and (2) such amount of the principal as will extinguish the debt within an agreed period not exceeding the life of the certificate.

(b) If the veteran fails to make any payment when due, and such default continues for the period of one year, thereupon the Secretary of the Treasury shall declare the certificate of the veteran to be forfeited and cancel and surrender the note to the veteran; but if the Secretary of the Treasury subsequently finds any such certificate was forfeited by mistake, or under any misapprehension of fact, he shall reinstate the same upon payment of the amount then due the Government on the loan, and upon the receipt of a new note from the veteran on the same terms as the original note for the remaining amount due.

(c) If the veteran is in default and his certificate is forfeited, when he has borrowed an amount less than the maximum authorized under either subdivision (a) or (b) of section 505, the Secretary of the Treasury shall pay to him 80 per cent of the difference between what he has borrowed and the maximum which he was authorized to borrow under either subdivision (a) or (b) of section 505. If the veteran dies before such 80 per cent can be paid to him, it shall be paid to the beneficiary under the certificate; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, then the payment shall be made to the estate of the veteran.

SEC. 505. No Government loan shall be made upon any certificate prior to October 1, 1925. The amount of such loans to any one veteran outstanding at any time shall not exceed:

(a) If the loan is made on or after October 1, 1925, and before October 1, 1928, 85 per cent of the sum of (1) the adjusted service credit of the veteran plus (2) interest thereon from October 1, 1922, to the date of the making of the loan, at the rate of 4½ per cent per annum, compounded annually, or

(b) If the loan is made on or after October 1, 1928, and before October 1, 1942, 70 per cent of the sum of (1) the adjusted service credit of the veteran increased by 25 per cent, plus (2) interest thereon from October 1, 1922, to the date of the making of the loan, at the rate of 4½ per cent per annum, compounded annually.

SEC. 506. No certificate issued or right conferred under the provisions of this title shall, except for the purpose of securing a loan under the provisions of section 502 or 504, be negotiable or assignable or serve as security for a loan. Any negotiation, assignment, or loan made in violation of any provision of this section shall be held void.

SEC. 507. In the case of the death of the veteran or the forfeiture of his certificate, any Government loan made upon the certificate, and the note in respect thereto, shall be canceled; and in case such loan has been canceled as a result of the death of the veteran, the Secretary of the Treasury shall deduct the amount of the unpaid principal and interest of the loan from the amount of the face value of the certificate in respect to which the loan is made.

SEC. 508. Any certificate issued under the provisions of this title shall have printed upon its face the conditions and terms

upon which it is issued and to which it is subject, including loan values under sections 502 and 505.

SEC. 509. If the veteran dies after making application in accordance with the provisions of section 302 and before October 1, 1922, the amount of the adjusted service credit of the veteran shall be paid by the Secretary of the Treasury to his estate.

TITLE VI.—VOCATIONAL TRAINING AID.

SEC. 601. The Director of the United States Veterans' Bureau (hereinafter in this title referred to as the "director") upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to pay to the veteran designated therein (if he is not receiving the benefits of the vocational rehabilitation act, as amended) the sum of \$1.75 for each day of his attendance (on or after January 1, 1923), on a course of vocational training previously approved by the director as suitable for such veteran. Such payments shall be made without deduction for Sundays, holidays, or vacations not exceeding two weeks in duration, or for absence for other cause which the director deems justifiable; but the total payment shall not exceed 140 per cent of the amount of the adjusted service credit of the veteran.

Payments under this section shall be made monthly, or at more frequent intervals, as the director may determine generally or in special cases.

SEC. 602. The director shall establish such regulations as will insure the regular attendance of the veteran on his course of training, and no sum or sums shall be payable under this title unless the director has been furnished proof of such regular attendance. For each day of unjustifiable absence the veteran shall forfeit the sum payable for that day, and shall receive no reimbursement for it in any other form.

SEC. 603. If the payment under section 601 plus the amounts forfeited under section 602 is less than 140 per cent of the adjusted service credit, either by reason of the duration of the course approved, or by reason of the veteran's discontinuing, with the approval of the director, his attendance on his course of training, he shall be entitled to receive an amount equal to the difference between (1) his adjusted service credit and (2) that proportion thereof which the payments made or accrued under section 601 plus the amounts forfeited under section 602 bear to 140 per cent of his adjusted service credit: *Provided*, That from the amount thus computed there shall be deducted an amount equal to the sums forfeited under section 602.

SEC. 604. If before the completion of the payments under this title the veteran is separated from the military or naval forces under other than honorable conditions, or is discharged therefrom on account of his alienage, no further payments shall be made under this title.

SEC. 605. (a) If the veteran dies after making application in accordance with the provisions of section 302 and before any payments have been made or have accrued under this title, the amount of the adjusted service credit of the veteran shall be paid by the director to his estate.

(b) If the veteran dies after the course of training has begun, his estate shall be paid by the director the same amount as would have been paid to the veteran under section 603, treating for such purposes the date of his death as the date of discontinuance of attendance on his course of training.

SEC. 606. (a) The director is hereby authorized to cooperate with State boards for vocational education in such manner as will secure their assistance in the approval of courses of training for veterans and other assistance in carrying out the provisions of this title.

(b) Whenever any State provides funds for assistance to veterans in attendance upon approved courses or provides for free tuition in approved educational institutions, the director is authorized and directed to cooperate with the State board for vocational education of such State in securing the maximum educational opportunities to veterans entitled to the benefits of this title.

TITLE VII.—FARM OR HOME AID.

SEC. 701. (a) The National Veterans' Settlement Board created by Title VIII (hereinafter in this title referred to as the "board") upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed, on or after January 1, 1923, to pay to the veteran designated therein, in one payment or in installments, an amount equal to his adjusted service credit increased by 40 per cent.

(b) Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make improvements on a city or suburban home, or a farm not selected under Title VIII, or to purchase or make payments on such a home or farm.

SEC. 702. No such payment shall be made unless and until the board has approved the purpose for which it is desired by the veteran, and has suitable assurance that the money will be

expended for such purpose. The board may, at the option of the veteran, or on its own motion, make the payment directly to the vendor or other person to whom such payment is due from the veteran.

SEC. 703. For the purpose of enabling it to pass upon the desirability of the investment the board may make use of the services of land bank appraisers of the Federal Farm Loan Board, to be designated by the latter board.

SEC. 704. (a) If the veteran dies, after making application in accordance with the provisions of section 302 for farm or home aid and before a contract has been entered into with the approval of the board, the amount of his adjusted service credit shall be paid by the board to his estate, but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If before the veteran's death a contract has been entered into with the approval of the board, and payments under this title on such contract are still due, such payments shall be made by the board to the vendor or other person to whom such payments are due from the veteran.

**TITLE VII.—LAND SETTLEMENT.
NATIONAL VETERANS' SETTLEMENT BOARD.**

SEC. 801. (a) There is hereby established a board to be known as the "National Veterans' Settlement Board" (hereinafter in this title called the "board") and to be composed of five members as follows:

(1) The Secretary of the Interior (hereinafter in this title called the "Secretary") and

(2) Four members to be appointed by the President by and with the advice and consent of the Senate.

(b) No veteran retired for age or longevity of service from active service in the military or naval forces shall be eligible for appointment to, or remain eligible for membership upon, the board. Any vacancy in the office of an appointed member shall be filled in the same manner and under the same limitations as in the case of the original appointment.

(c) The Secretary shall be the executive and administrative officer to carry out the plans and purposes adopted by the board under the provisions of Title VII and of this title. The members of the board, except the Secretary, shall receive an annual salary of \$7,500. Of the members appointed to the board in the first instance, one shall be appointed for a term of two years, one for three years, one for four years, and one for five years. Their successors shall hold office for terms of five years; except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds.

ESTABLISHMENT OF PROJECTS.

SEC. 802. The board is hereby authorized to establish veteran settlement projects (hereinafter in this title called "projects") for the reclamation and settlement of lands by means of irrigation, drainage, or other manner or method of development and improvement thereof, including the building of necessary public roads within the projects. Projects shall be selected by the board with a view to the development of one or more projects in each of the several States where the establishment of a project is feasible.

SEC. 803. (a) The board may by gift, purchase, deed in trust, or otherwise acquire lands suitable for any project; but no project shall be finally selected, and no lands shall be acquired by purchase, unless the price and other conditions of acquisition have been submitted to and approved by (1) the governor of the State in which the lands are located, (2) as to price only, a land bank appraiser to be designated by the Federal Farm Loan Board, and (3) the board. If the governor of the State fails to signify his approval or disapproval within such time as the board by regulation shall determine, the land commissioner, or if there is in the State no official of such title, then the agency which under the laws of the State is authorized to perform the functions ordinarily exercised by a land commissioner, may act in lieu of the governor.

(b) In case any project includes privately owned land, no construction work shall be commenced upon the project until the owners of all such land in the project have each conveyed or agreed to convey to the United States title to all land owned by him in excess of a farm unit as established for the project under the provisions of section 806.

(c) The Secretary (1) may withdraw from location, sale, settlement, entry, or other disposition and place under the control of the board such unappropriated public lands as he deems necessary for any project, and (2) shall restore to public entry lands so withdrawn, if subsequently the board finds that such lands are not so required.

(d) The board may in its discretion contract with any irrigation or drainage district or other public corporation organized

under the laws of the State in which the project is located to establish, develop, improve, and otherwise cooperate (in accordance with the provisions of this title) in the execution of, and the administration of the affairs of, any project comprising only the lands of such district or corporation.

COOPERATION WITH FEDERAL AND STATE AGENCIES.

SEC. 804. The board may, in executing the provisions of this title—

(a) Make use of, cooperate with, and allot moneys appropriated for its use to, any existing agency of the Federal Government which agrees to act as the agent of the board. Such agency is hereby authorized, within the limits of the moneys allotted it and under the direction of the board, to perform work in connection with any project.

(b) Whenever a State provides funds to be expended by the board in the establishment, development, and improvement of any project within the State, the board may contract with the State, or any agency thereof designated by the governor, to cooperate with the board, to such extent as the board deems advisable, in the work in connection with the project. The board may further establish a branch office in the State to administer matters arising in connection with projects in the State.

(c) Whenever a State provides not less than 25 per cent of the amount of the funds which are, in the opinion of the board, necessary to be expended by it in the establishment, development, and improvement of any project within the State, the board shall authorize the State, or any agency thereof designated by the governor, to undertake, subject to the general supervision of the board, (1) the selection, acquisition, and subdivision of lands for, and the improvement of farms within, any project, and (2) the development thereof after the project is open to settlement.

SEC. 805. So far as practicable, veterans shall be employed and their services utilized in the administrative and field work necessary to the establishment and development of any project by the board and all Federal agencies cooperating therewith. All contracts or other agreements of the board with any cooperating State or agency thereof shall contain a like stipulation. At the earliest practicable date each veteran so employed upon a project shall be allowed to select and shall be allotted, as hereinafter in this title provided, a farm unit upon which he may construct a dwelling and make other improvements.

ALLOTMENT AND SALE OF LANDS.

SEC. 806. (a) The board shall establish for each project or portion thereof (1) farm units of an acreage sufficient, in the opinion of the board, for cultivation by and the support of a family, and (2) farm worker's units of a small acreage sufficient, in the opinion of the board, for part-time cultivation by a farm worker's family.

(b) The board may set apart and reserve tracts within any project for use free from all charge for community and other public purposes, but the title to such lands shall remain in the United States. Whenever any such tract fails to be used for the purpose for which it was set apart and reserved, the board shall, after due notice and hearing, declare the tract forfeited to the United States. Such tract shall thereupon resume its original status.

(c) The board may establish town sites within any project and develop and sell lots therein to veterans and repatriates only, under such regulations and upon such terms as it shall prescribe.

SEC. 807. (a) When used in this title, the term "repatriate" includes (1) any citizen of the United States who has served with the military or naval forces of any nation allied against the German Government or its allies without loss of citizenship, and (2) any former citizen of the United States who has so served with loss of such citizenship but has since been repatriated; except that such term shall not include a veteran or any individual who was separated from such forces under other than honorable conditions.

(b) Whenever in the opinion of the board farm units or farm workers' units, within any project, are available for settlement, the board shall give public notice and description thereof, together with a statement of the construction charges and other conditions incident thereto, and shall mail individual notices to any veteran whose name has been certified to the board under the provisions of section 303. The board shall allot a farm unit or a farm worker's unit to any such veteran or repatriate who applies therefor in such manner as the board shall by regulation prescribe. As between applicants, preference in making allotments shall be given, first, to a veteran who has been employed upon and who has rendered substantial service in the development of any project; and, second, to a veteran or repatriate who, in the opinion of the board, is least likely to fail in his enterprise or to cause the United States loss.

(c) The board shall allot farm units, farm workers' units, and town lots to veterans and repatriates only.

SEC. 808. (a) The cost of construction, including the purchase price of any lands acquired for the project, but excluding administrative expenses and the expenses of maintaining general offices and exercising general supervision over projects, shall be apportioned equitably among the farm units, farm workers' units, town lots, and other tracts within the project in proportion to the selling value of each unit, lot, or tract; and the total sale price of all lands within the project shall be fixed with a view of repaying the total of such construction cost of the project.

(b) Each allottee of a farm unit or farm worker's unit shall pay to the board such price as the board shall fix for the unit in pursuance of the provisions of subdivision (a) of this section; except that in case the allottee is a veteran there shall be deducted from such price the amount of his adjusted service credit.

(c) A veteran or repatriate may, at his option, in lieu of payment in full at the time of entry, pay all balances due upon the purchase price for his unit upon an amortization plan by means of a fixed number of annual installments sufficient to cover (1) interest on the unpaid principal at the rate of 5 per cent per annum and (2) such amount of the principal as will extinguish the debt within an agreed period, not exceeding 25 years from the making of the contract of purchase. In the case of a veteran, the installments shall be so arranged that he will not be required to pay any installment until two years after the making of the contract of purchase. The board may in its discretion, whenever it is of the opinion that any emergency has caused default in the payment of any installment of the veteran or repatriate, postpone the payment of such installment until such date as it deems expedient. Such postponed payments shall continue to bear interest on the unpaid principal at the rate of 5 per cent per annum from the date of the contract of purchase. The board shall make such regulations as to residence upon, and use or cultivation of, units by a veteran or repatriate as in the opinion of the board will carry out the purpose of making the unit his permanent home.

SEC. 809. A patent or deed, as the case demands, shall immediately be issued to a purchaser who has paid the full price for his unit, and may be issued at any time more than five years after the date of purchase to any purchaser under the amortization plan who has met all payments then due from him to the board and has observed all conditions prescribed by regulations issued under the provisions of subdivision (c) of section 808. Each such patent or deed shall expressly reserve to the United States a prior lien on the land patented or deeded, superior to all other liens, claims, or demands whatsoever, for the repayment of all sums due or to become due to the board.

SEC. 810. (a) If the veteran dies after making application in accordance with the provisions of section 302 for land settlement aid and before having entered into a contract of purchase under section 808, the amount of his adjusted service credit shall be paid by the board to his estate, but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If the veteran or repatriate dies previous to the completion of his contract of purchase the successor by law to his interest in the land, if a widow or heir at law, may assume the contract of purchase. If the successor is other than a widow or heir at law the balance due the board under the contract of purchase shall be due immediately and shall be paid the board within such time after the death of the veteran as the board shall by regulation prescribe.

SEC. 811. No lands within any project shall in any event become liable to the satisfaction of any debt contracted prior to the issue of the deed or patent therefor. No transfer, assignment, mortgage, or lease of the interest of any purchaser of a unit shall, unless approved by the board, be valid previous to the issue of the deed or patent for the land, or within five years after the date of purchase.

SEC. 812. Prior to the issue of a deed or patent, as the case may be, for any unit, lot, or tract within a project, such unit, lot, or tract shall be subject to taxation by any State, or political subdivision thereof, but only upon the appraised value of the owner's interest in the land and improvements thereon. If the owner fails to pay any such tax or assessment, the board is authorized to pay such tax or assessment and to include the amount of the payment, together with interest and penalties at the rate provided by law for delinquent taxes in the State in which the land is located, in the installments payable under the contract of purchase.

SEC. 813. Upon the default of any payment due to the board under, or upon the violation of, the provisions of subdivision (c)

of section 808, or of section 810, 811, or 812, the interest of the purchaser in the unit shall revert to the United States free of all encumbrances, but subject to the right of the defaulting debtor, or any mortgagee, lien holder, judgment creditor, or subsequent purchaser, to redeem the land, within one year after the board gives notice of such default, by payment of all moneys due with interest at 8 per cent per annum from the date of default, and costs. The board, at its option, may cause the land to be sold at any time after such failure to redeem. From the proceeds of the sale the board shall retain all moneys due, with interest as provided, and costs. The balance of the proceeds, if any, shall be the property of the defaulting debtor or his assignee. In the case of sale after failure to redeem under this section, the board is authorized to bid in such land at not more than the amount in default, including interest and costs.

SEC. 814. In case a veteran has entered upon land reclaimed under the reclamation law, the board shall, upon application of the veteran, pay to the reclamation fund the amount of the adjusted service credit of the veteran, and the Secretary of the Interior shall thereupon credit such sum to the amount payable to the fund by the veteran.

RECEIPTS FROM PROJECTS.

SEC. 815. All moneys received by the board as payments in respect to lands within any project shall be covered into the Treasury of the United States as miscellaneous receipts; except that from such receipts shall be deducted the amounts required to make such repayment or reimbursement to any State or designated agency thereof, or to any district or other public corporation, as is necessary to carry into effect the provisions of subdivision (d) of section 803 and of subdivisions (b) and (c) of section 804.

APPLICABILITY OF RECLAMATION LAW.

SEC. 816. The board shall, so far as possible, in executing the provisions of this title, make use of existing agencies in the Department of the Interior and comply with the reclamation law in so far as such law is applicable and not inconsistent with the provisions of this title. Such reclamation law shall, for the purposes of this title, be deemed applicable to the reclamation of lands by drainage or by any other manner or method, as well as to reclamation by irrigation. This section shall not be construed to give the board any control over the disposition of moneys in the reclamation fund.

EFFECTIVE DATE.

SEC. 817. Sections 802 to 816, both inclusive, shall take effect on January 1, 1923.

TITLE IX.—MISCELLANEOUS PROVISIONS.

SEC. 901. The officers and boards having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding \$4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses, as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time. With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil service laws; but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

SEC. 902. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 903. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III, IV, V, VI, VII, or VIII, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than five years, or both.

SEC. 904. The Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Director of the United States Veterans' Bureau, and the National Veterans' Settlement Board shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended

in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 165. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a statue of Edmund Burke; to the Committee on the Library.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10185. An act authorizing the exchange of lands within the exterior boundaries of the Malheur National Forest, in the State of Oregon, and for other purposes;

H. R. 5013. An act to authorize the Secretary of the Navy to sanction the inscription of titles upon certain monuments, tablets, or other memorials; and

H. R. 244. An act to provide for the disposition of abandoned portions of rights of way granted to railroad companies.

LEAVE OF ABSENCE.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent for leave of absence for my colleague [Mr. BURTON] until next Monday, on account of death in his family.

The SPEAKER. Is there objection?

There was no objection.

PERMITTING CERTAIN ALIENS TO REMAIN WITHIN THE UNITED STATES.

Mr. BOX. Mr. Speaker, I ask unanimous consent that the minority of the Committee on Immigration be given until midnight to-night to file their views on House joint resolution 279, to permit to remain within the United States certain aliens admitted temporarily under bond, in excess of quotas fixed under authority of the immigration act of May 19, 1921.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. ANDERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until to-morrow, Wednesday, March 8, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

562. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1921 (H. Doc. No. 222), was taken from the Speaker's table, referred to the Committee on Ways and Means, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. JOHNSON of Washington: Committee on Immigration and Naturalization. H. J. Res. 279. A joint resolution to permit to remain within the United States certain aliens admitted temporarily under bond in excess of quotas fixed under authority of the immigration act of May 19, 1921; with an amendment (Rept. No. 776). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GLYNN: Committee on Claims. H. R. 6926. A bill for the relief of Abraham Leibovitz; with an amendment (Rept. No. 777). Referred to the Committee of the Whole House.

ADVERSE REPORTS.

Under clause 2 of Rule XIII,

Mr. BULWINKLE: Committee on Claims. S. 464. An act for the relief of the estate of Moses M. Bane (Rept. No. 778). Laid on the table.

Mr. BOX: Committee on Claims. H. R. 4179. A bill for the relief of Ida F. Baum (Rept. No. 779). Laid on the table.

Mr. BULWINKLE: Committee on Claims. H. R. 5332. A bill for the relief of James Doherty (Rept. No. 780). Laid on the table.

Mr. BULWINKLE: Committee on Claims. H. R. 4314. A bill for the relief of Mrs. M. P. Rodgers (Rept. No. 781). Laid on the table.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

By Mr. SWING: A bill (H. R. 10767) to exempt from cancellation certain desert-land entries in San Bernardino County, Calif.; to the Committee on the Public Lands.

By Mr. VOLSTEAD: A bill (H. R. 10768) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stat., 670); to the Committee on the Judiciary.

By Mr. FORDNEY: A bill (H. R. 10769) to provide adjusted compensation for veterans of the World War, and for other purposes; to the Committee on Ways and Means.

By Mr. LARSON of Minnesota: A bill (H. R. 10770) granting the consent of Congress to the county of Itasca, State of Minnesota, to construct, maintain, and operate a bridge across the south arm of Pokegama Lake; to the Committee on Interstate and Foreign Commerce.

By Mr. VAILE: A bill (H. R. 10771) authorizing the Postmaster General to investigate conditions arising from contracts in star-route, screen-wagon, and other vehicle service entered into prior to January 1, 1919; to the Committee on the Post Office and Post Roads.

By Mr. SNYDER: A bill (H. R. 10772) providing that relief extended to any incompetent or restricted Indian in furnishing food, clothing, fuel, or medical care, or necessary assistance to him or to his family, shall be a charge against the said Indian or his estate; to the Committee on Indian Affairs.

By Mr. GENSMA: A bill (H. R. 10773) to authorize the appraisal of the taxable value of Indian lands now not subject to taxation in the several States to determine the amount of taxes which would accrue to the several States if the Indian lands were subject to taxation by the States; to the Committee on Indian Affairs.

By Mr. LEHLBACH: Joint resolution (H. J. Res. 284) authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and dispose of 2,000 tons of sugar imported from the Argentine Republic and adjust the loss sustained thereby; to the Committee on Agriculture.

By Mr. RIDDICK: Joint resolution (H. J. Res. 285) for the purpose of aiding agriculture by providing facilities for nitrate plants, water for irrigation, and for promoting more efficiency in travel and transportation through the elimination of the expense or labor for motive power, and for other purposes; to the Committee on Patents.

By Mr. KAHN: Resolution (H. Res. 300) authorizing the Committee on Military Affairs, or any subcommittee thereof, to go to Muscle Shoals and Gorgas, Ala., for the purpose of investigating the advisability of completing the same; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEBY: A bill (H. R. 10774) for the relief of John H. Lang; to the Committee on Naval Affairs.

By Mr. HAWLEY: A bill (H. R. 10775) granting a pension to Elvira E. Clark; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 10776) to place John Bowles Jeffery upon the retired list of the Army with the rank of major; to the Committee on Military Affairs.

By Mr. KENDALL: A bill (H. R. 10777) granting a pension to Ida B. Sechler; to the Committee on Invalid Pensions.

By Mr. KRAUS: A bill (H. R. 10778) granting a pension to Mary A. O'Neil; to the Committee on Invalid Pensions.

By Mr. LEATHERWOOD: A bill (H. R. 10779) for the relief of Willard Taylor Schell; to the Committee on Claims.

By Mr. LYON: A bill (H. R. 10780) granting a pension to James H. Brittain; to the Committee on Invalid Pensions.

By Mr. OLPP: A bill (H. R. 10781) authorizing and directing examination and survey of the Hudson River Channel along the Weehawken-Edgewater water front; to the Committee on Rivers and Harbors.

By Mr. RAMSEYER: A bill (H. R. 10782) granting an increase of pension to Malissa A. Hanes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10783) granting a pension to Elizabeth Graft; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 10784) granting a pension to John M. Tester; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10785) granting a pension to Bonnie O'Mara; to the Committee on Pensions.

Also, a bill (H. R. 10786) granting a pension to Malissa E. Hurst; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10787) granting a pension to Judie Cable; to the Committee on Pensions.

Also, a bill (H. R. 10788) granting an increase of pension to Marcus C. Luttrell; to the Committee on Pensions.

Also, a bill (H. R. 10789) granting a pension to Robert J. Jones; to the Committee on Pensions.

Also, a bill (H. R. 10790) granting a pension to John H. Bellamy; to the Committee on Pensions.

Also, a bill (H. R. 10791) granting an increase of pension to Carry D. Shultz; to the Committee on Pensions.

By Mr. RIDDICK: A bill (H. R. 10792) authorizing the Secretary of the Interior to allow the additional homestead application of Otha Potter; to the Committee on the Public Lands.

By Mr. ROBSION: A bill (H. R. 10793) granting a pension to Syntha Black; to the Committee on Pensions.

By Mr. SHAW: A bill (H. R. 10794) for the relief of William Black; to the Committee on Military Affairs.

By Mr. TINCHER: A bill (H. R. 10795) for the relief of Blanche Winters; to the Committee on War Claims.

By Mr. WASON: A bill (H. R. 10796) granting a pension to Susie C. York; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10797) granting a pension to Nellie Knight; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4469. By Mr. BRIGGS: Letter from T. E. Flick, of Galveston, Tex., urging an amendment to House bill 9105, Sixty-seventh Congress, first session, by adding at the end thereof the words "now valid and legal for postage or revenue;" to the Committee on the Judiciary.

4470. By Mr. CRAGO: Petition of 28 residents of Pennsylvania, protesting against House bill 9753; to the Committee on the District of Columbia.

4471. Also, resolution adopted by Hill Top Memorial Post, No. 438, American Legion, of Knoxville, Pa., protesting against the reported remarks of the Chamber of Commerce of Pittsburgh, in which its members openly slandered and castigated the ex-service men by comparing them with profiteers, by impugning their patriotism, and by villifying the ex-service man who is unable to obtain employment; to the Committee on Ways and Means.

4472. By Mr. CAREW: Petition of the Central Mercantile Association, urging the passage of an amendment to the post roads bill for reestablishing pneumatic-tube service in New York City; to the Committee on Appropriations.

4473. By Mr. FENN: Petition of the Meriden Personal Liberty League, amending the Volstead Act with a tax on beer and light wines; to the Committee on the Judiciary.

4474. By Mr. FUNK: Petition of citizens of Logan County, Ill., requesting the repeal of the Adamson law; etc.; to the Committee on Interstate and Foreign Commerce.

4475. By Mr. KISSEL: Petition of Battle Pass Chapter, Daughters of the American Revolution, of Brooklyn, N. Y., urging an amendment to the Barbour bill (H. R. 7452); to the Committee on the Public Lands.

4476. Also, petition of the Riley School of Chiropractic, of Washington, D. C., opposing the passage of Senate bill 2283; to the Committee on the District of Columbia.

4477. Also, petition of the New York Boat Owners Association (Inc.), of New York City, opposing the passage of House bill 5351; to the Committee on the Judiciary.

4478. Also, petition of Loggia Liberta'e Concordia, No. 769, of Mount Carmel, Pa., urging the early passage of the Calder-

Kissel bill making the 12th of October each year a legal public holiday to be known as Columbus day; to the Committee on the Judiciary.

4479. Also petition of Allegheny Lodge, No. 339, Benevolent and Protective Order of Elks, of Pittsburgh Pa., urging the modification of the existing prohibition laws; to the Committee on the Judiciary.

4480. Also, petition of the Brooklyn Real Estate Board, of Brooklyn, N. Y., opposing the pending bonus bill; to the Committee on Ways and Means.

4481. By Mr. SPROUL: Petition by sundry citizens of the third congressional district of Illinois, protesting against the enactment of House bill 9753 and other Sunday enforcement laws; to the Committee on the District of Columbia.

4482. By Mr. SWING: Resolutions of the Orange Community Chamber of Commerce, of Orange, Calif., indorsing the adjusted compensation bill; to the Committee on Ways and Means.

4483. By Mr. TINKHAM: Petition of L. T. Price and others, favoring legislation for the suspension of Austria's debt to the United States for at least 20 years; to the Committee on Ways and Means.

4484. Also, resolution passed by the midwinter conference of Lend a Hand Clubs, supporting the proposal of Gen. Pershing relative to the size of the Army; to the Committee on Military Affairs.

4485. Also, resolution adopted at a meeting of the corporation of Simmons College, opposing the imposition of a duty on the importation of foreign books; to the Committee on Ways and Means.

4486. Also, resolution of Rosa P. Neinzen, urging the extension of Austria's debt to the United States be extended for at least 20 years; to the Committee on Ways and Means.

4487. Also, resolution adopted by the Charlestown (Mass.) United Veterans of the Republic, opposing the adoption of the four-power treaty; to the Committee on Foreign Affairs.

4488. By Mr. WILLIAMSON: Petition of South Dakota Conference, Seventh-Day Adventists, protesting against enactment of House bill 4388; to the Committee on the District of Columbia.

SENATE.

WEDNESDAY, March 8, 1922.

(Legislative day of Tuesday, March 7, 1922.)

The Senate met in open executive session at 12 o'clock meridian, on the expiration of the recess.

WORLD WAR FOREIGN DEBT COMMISSION.

Mr. CUMMINS. Mr. President, I ask unanimous consent, as in legislative session, to submit the following resolution and ask for its immediate consideration.

There being no objection, the Senate, as in legislative session, considered the resolution (S. Res. 255) and it was agreed to, as follows:

Whereas the Attorney General of the United States has rendered an opinion to the President of the United States touching the eligibility of Senator REED SMOOT and Representative THEODORE E. BURTON for membership on the commission created by the act of Congress approved February 9, 1922, entitled "An act to create a commission to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes": Be it therefore Resolved, That the President is requested, if not incompatible with the public interest, to furnish to the Senate a copy of said opinion.

SERVICES FOR SOLDIER DEAD AT BROOKLYN, N. Y.

As in legislative session.

The VICE PRESIDENT laid before the Senate a communication from E. A. Simmons, chairman of the committee for the reception and disposition of bodies from overseas of the American Legion, Department of New York, of New York City, requesting the appointment of a Senate committee to attend the services to be held at Brooklyn, N. Y., on Sunday, April 2, 1922, in honor of the last reception of bodies of American soldiers who died overseas in the World War, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

FOUR-POWER TREATY.

The Senate, as in Committee of the Whole and in open executive session, resumed the consideration of the treaty submitted by the President of the United States between the United States, the British Empire, France, and Japan, relating to their insular possessions and insular dominions in the Pacific Ocean.

Mr. LODGE. Mr. President, I ask that the telegram which I send to the desk, which has been received here, containing a resolution relating to the ratification of the treaties, may be printed in the Record.